

**ADVOCATES FOR BARTOW'S  
CHILDREN, INC.**

**D/B/A Advocates for Children**

**FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

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## INDEPENDENT AUDITOR'S REPORT

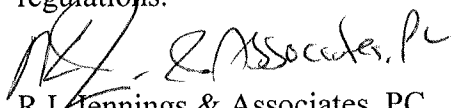
To The Board of Directors  
Advocates for Bartow's Children, Inc.  
D/B/A Advocates for Children  
Cartersville, Georgia 30121

We have audited the accompanying statements of financial position of the Advocates for Bartow's Children, Inc. D/B/A Advocates for Children (a nonprofit organization) as of December 31, 2010 and 2009 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Advocates for Bartow's Children, Inc. D/B/A Advocates for Children as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 16, 2011 on our consideration of the Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's internal control structure and compliance with laws and regulations.

  
R. Lee Jennings & Associates, PC  
Certified Public Accountants  
June 16, 2011

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 D/B/A ADVOCATES FOR CHILDREN  
 December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 291,659	\$ 191,925
Investments	89,308	88,365
Per Diems Receivable	198	-
Prepaid Expenses	<u>30,151</u>	<u>4,009</u>
TOTAL CURRENT ASSETS	<u>411,316</u>	<u>284,299</u>
NONCURRENT ASSETS		
Other Assets	13,300	12,600
Noncurrent Cash - Permanently Restricted	26,000	26,000
Property and Equipment (Net of Depreciation)	<u>443,748</u>	<u>455,590</u>
	<u>483,048</u>	<u>494,190</u>
TOTAL ASSETS	<u>\$ 894,364</u>	<u>\$ 778,489</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	<u>\$ 5,550</u>	<u>\$ 7,021</u>
TOTAL CURRENT LIABILITIES	<u>5,550</u>	<u>7,021</u>
NET ASSETS		
Unrestricted	626,665	517,016
Unrestricted - Board Designated	231,429	227,386
Temporarily Restricted	4,720	1,066
Permanently Restricted	<u>26,000</u>	<u>26,000</u>
TOTAL NET ASSETS	<u>888,814</u>	<u>771,468</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 894,364</u>	<u>\$ 778,489</u>

See auditor's report and notes to financial statements.

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
 STATEMENTS OF ACTIVITIES  
 D/B/A ADVOCATES FOR CHILDREN  
 For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS		
Revenue, Gains and Other Support:		
Federal Financial Assistance	\$ 611,791	\$ 504,086
Per Diem - Counties and State	-	-
State Grants and Contracts	94,648	121,246
Seminar and Counseling Fees	36,128	40,614
Other Revenues	-	-
Contributions - Civic Organizations and Individuals	456,225	420,646
Interest Income and Dividend Income	4,152	10,131
Fund Raising	231,196	163,427
In Kind Support	140,323	153,747
TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>1,574,463</u>	<u>1,413,897</u>
Net Assets Released from Restrictions:		
Satisfaction of Purpose Restrictions	<u>-</u>	<u>246</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE AND RECLASSIFICATIONS	<u>1,574,463</u>	<u>1,414,143</u>
Expenses		
Program Services:		
Shelter	595,766	594,016
Divorce Seminar	27,660	27,714
Supervised Visitation	14,368	55,115
First Steps	15,362	20,467
Baby Think It Over	-	4,673
A Better Way	67,193	52,759
C.A.S.A.	189,774	184,343
Rainbows	5,767	8,341
Peer Educators	1,121	19,154
Supporting Services:		
Management and General	383,897	348,177
Fund Raising	159,863	265,606
TOTAL EXPENSES	<u>1,460,771</u>	<u>1,580,365</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>113,692</u>	<u>(166,222)</u>

See auditor's report and notes to financial statements.

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
 STATEMENTS OF ACTIVITIES  
 D/B/A ADVOCATES FOR CHILDREN  
 For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Temporarily Restricted	\$ 3,654	\$ -
Net Assets Released from Restrictions	<u>-</u>	<u>(246)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED ASSETS	<u>3,654</u>	<u>(246)</u>
CHANGE IN NET ASSETS	117,346	(165,976)
NET ASSETS AT BEGINNING OF YEAR	<u>771,468</u>	<u>937,444</u>
NET ASSETS AT END OF YEAR	<u>\$ 888,814</u>	<u>\$ 771,468</u>

See auditor's report and notes to financial statements.

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
D/B/A ADVOCATES FOR CHILDREN  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2010

	Program Services						Supporting Services		
	Children's Shelter	Divorce Seminar	Supervised Visitation	First Steps	A Better Way	C.A.S.A.	Rainbows	Educators and Other Programs	Totals
Compensation and related expenses									
Compensation	\$ 403,665	\$ -	\$ -	-	\$ 42,000	\$ 153,030	\$ -	\$ -	\$ 843,992
Employee Benefits	15,016	-	-	-	1,562	5,692	-	-	31,395
Payroll taxes	32,491	-	-	-	3,213	11,317	-	-	8,584
Total Compensation	451,172	-	-	-	46,775	170,039	-	-	23,173
									1,111
									16,178
Conferences and training	5,020	-	-	-	2,966	5,173	-	-	3,989
Security	-	1,500	-	-	-	-	-	-	-
Meetings	-	-	-	-	-	-	-	-	17,148
Depreciation	17,458	-	-	-	-	-	-	-	1,500
Insurance	-	-	-	-	-	-	-	-	3,310
Liability - Auto, Directors & Officers	-	-	-	-	-	-	-	-	4,365
Workers Compensation	-	-	-	-	-	-	-	-	-
Charitable donations	-	-	-	-	-	-	-	-	12,882
Dues and subscriptions	4,357	-	-	-	-	-	-	-	7,844
Equipment rent and maintenance	-	-	-	-	-	-	-	-	-
Rent	42,388	-	-	-	-	-	-	-	4,357
Utilities	17,142	-	-	-	-	-	-	-	8,714
Clothing	923	-	-	-	5,922	-	-	-	8,157
Food	18,489	-	-	-	-	-	-	-	20,000
Gifts and awards	783	-	-	-	-	-	-	-	8,443
Consultation fees	-	21,600	1,600	9,600	-	-	3,800	-	-
Medical expense	4,475	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Household	4,905	-	-	-	-	-	-	-	-
Office and program materials	1,290	3,650	8,255	1,249	3,835	3,574	1,967	1,121	4,905
Telephone	-	-	-	-	6,433	-	-	-	16,517
Vehicle	3,395	-	-	-	-	-	-	-	7,327
Recreation	4,675	-	-	-	-	-	-	-	-
Travel	6,463	360	-	-	1,061	4,238	-	-	3,395
Repairs and maintenance	7,259	-	-	-	-	-	-	-	4,675
Postage	-	-	-	-	96	-	-	-	1,339
Technology	4,513	-	4,513	4,513	-	290	-	-	13,461
Advertising	-	-	-	-	-	4,513	-	-	3,576
Miscellaneous	1,059	550	-	-	105	-	-	-	4,162
Accounting fees	-	-	-	-	-	1,947	-	-	4,514
Total expenses	\$595,766	\$ 27,660	\$ 14,368	\$ 15,362	\$ 67,193	\$ 189,774	\$ 5,767	\$ 1,121	1,119
									500
									8,462
									383,897
									159,863
									\$ 1,460,771

See auditor's report and notes to financial statements.

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
D/B/A ADVOCATES FOR CHILDREN  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2009

Program Services											
	Children's Shelter	Divorce Seminar	Supervised Visitation	First Steps	Baby Think It Over	A Better Way	C.A.S.A.	Rainbows	Peer Educators and Other Programs	Supporting Services	
										Management and General	Fund Raising
Compensation and related expenses											
Compensation	\$403,662	-	\$30,356	\$13,972	\$-	\$41,475	\$154,738	\$6,120	\$16,003	\$204,550	\$32,175
Employee Benefits	15,345	-	1,159	512	-	1,432	5,797	205	580	7,843	1,228
Payroll taxes	35,003	-	2,645	1,167	-	3,267	13,223	467	1,322	17,890	2,800
Total Compensation	454,010	-	34,160	15,651	-	46,174	173,758	6,792	17,905	230,283	36,203
Conferences and training											
Security	2,168	-	-	-	-	2,832	1,577	-	-	2,647	-
Meetings	-	1,500	84	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Insurance	20,499	-	-	-	-	-	-	-	-	2,336	-
Liability - Auto, Directors & Officers	-	-	-	-	-	-	-	-	-	5,125	-
Workers Compensation	10,198	-	-	-	-	-	-	-	-	-	-
Charitable donations	-	-	-	-	-	-	-	-	-	501	-
Dues and subscriptions	5,170	-	-	-	-	-	-	-	-	6,913	-
Equipment rent and maintenance	-	-	-	-	-	-	-	-	-	-	-
Rent	42,388	-	-	-	-	-	-	-	-	4,010	-
Utilities	-	-	-	-	-	-	-	-	-	5,051	-
Clothing	626	-	5,127	-	-	-	-	-	-	20,000	-
Food	22,962	-	-	-	-	-	-	-	-	25,077	-
Gifts and awards	2,234	-	-	-	-	-	-	-	-	-	-
Consultation fees	2,800	21,600	1,500	-	4,500	-	-	-	-	529	-
Therapy	727	-	-	-	-	-	-	-	-	-	90,000
Grant writing	-	-	-	-	-	-	-	-	-	-	-
Medical expense	1,950	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-
Household	2,778	-	-	-	-	-	-	-	-	-	-
Office and program materials	2,396	3,632	3,247	340	173	2,586	1,521	1,549	1,248	17,543	136,183
Telephone	-	-	6,521	-	-	-	-	-	-	7,381	-
Vehicle	3,377	-	-	-	-	-	-	-	-	-	-
Recreation	3,841	-	-	-	-	-	-	-	-	-	-
Travel	4,737	383	-	-	-	1,077	1,755	-	-	1,234	-
Repairs and maintenance	3,120	-	-	-	-	-	-	-	-	1,627	-
Postage	-	-	-	-	-	90	207	-	-	4,670	-
Technology	4,476	-	4,476	4,476	-	-	4,476	-	-	4,478	-
Advertising	-	-	-	-	-	-	-	-	-	942	-
Miscellaneous	3,560	600	-	-	-	-	1,049	-	-	1,022	3,220
Accounting fees	-	-	-	-	-	-	-	-	-	6,807	-
Total expenses	\$594,016	\$27,714	\$55,115	\$20,467	\$4,673	\$52,759	\$184,343	\$8,341	\$19,154	\$348,177	\$265,606

See auditor's report and notes to financial statements.



ADVOCATES FOR BARTOW'S CHILDREN, INC.  
STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 117,346	\$ (165,976)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	21,823	25,624
(Increase) Decrease in:		
Per diem receivable	(198)	916
Prepaid Expenses	(26,142)	749
Other Assets	(700)	1,500
(Decrease) Increase in:		
Accounts Payable	<u>(1,471)</u>	<u>809</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	110,658	(136,378)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Proceeds from Sale of Investments	(943)	13,888
Cash Payments for the Purchase of Property	<u>(9,981)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(10,924)</u>	<u>13,888</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	99,734	(122,490)
CASH AND EQUIVALENTS, BEGINNING	<u>217,925</u>	<u>340,415</u>
CASH AND EQUIVALENTS, ENDING	<u>\$ 317,659</u>	<u>\$ 217,925</u>
SUPPLEMENTAL DISCLOSURES		
In-Kind Donation of Operating Sources		
Facilities Rent, Utilities and Donated Materials	<u>\$ 140,323</u>	<u>\$ 153,747</u>

See auditor's report and notes to the financial statements.

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
D/B/A ADVOCATES FOR CHILDREN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Advocates for Bartow's Children, Inc. D/B/A Advocates for Children is a multi-purpose agency which deals with children and families who are in crisis or at risk of developing serious problems. It operates the Flowering Branch Children's Shelter, a 24-hour a day, 365-days a year temporary shelter for abused, abandoned, runaway or homeless children. In addition, the organization runs a number of outreach and preventive programs designed to support families. These include Rainbows groups for grieving children, TransParenting classes for divorcing parents, Child Abuse and Awareness activities, Shelter Mentors, Project Safe Place, Peer Educators, Bartow County Court Appointed Special Advocates, Supervised Family Visitation Children's Advocacy Center, First Steps and others.

Revenues

For fiscal years ended December 31, 2010 and 2009 the Organization received 37% and 34% of its revenue from federal grants, 62.8 % and 64% from other donor contributions, .2% and 2% from state grants, respectively.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine non-collectible unconditional promises receivable. The allowance is based on prior years experience and management's analysis of specific promises made.

Contributed Services

During the years ended December 31, 2010 and 2009, the value of contributed services meeting the requirements for recognition in the financial statements included the value of rent free occupation of the Organization's office building and Children's Shelter building and lease of an adjacent lot. Based on the fair market value of these services donated by the City of Cartersville, these contributions are material and therefore recorded in the

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
D/B/A ADVOCATES FOR CHILDREN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financial statements of the Organization as In-Kind Support. This donation is valued at \$62,388 and \$62,388 for the years ended December 31, 2010 and 2009.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. On assets donated without donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

All acquisitions of property and equipment in excess of \$2,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Financial Statement Presentation

Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
D/B/A ADVOCATES FOR CHILDREN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE 2 – RESTRICTIONS ON ASSETS

Restrictions on assets at December 31, 2010 and 2009 relate to donor restrictions on assets.

Temporarily restricted net assets are available at December 31, 2010 and 2009 for the following purposes:

	<u>2010</u>	<u>2009</u>
Employee Medical Spending	\$ <u>4,720</u>	\$ <u>1,066</u>
	\$ <u>4,720</u>	\$ <u>1,066</u>

Permanently restricted net assets are endowment funds to be held indefinitely. The interest income generated by these assets can be used for the expenses of the individual assistance program.

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
D/B/A ADVOCATES FOR CHILDREN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

NOTE 3—PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2010 and 2009:

Vehicles	\$ 33,724	\$ 33,724
Leasehold Improvements	54,170	44,190
Buildings	442,735	442,735
Furniture and Fixtures	<u>106,004</u>	<u>106,004</u>
	636,633	626,653
Less Accumulated Depreciation	<u>192,885</u>	<u>171,063</u>
	<u>\$ 443,748</u>	<u>\$ 455,590</u>

NOTE 4—CONCENTRATION OF CREDIT RISK

The Organization maintains bank accounts at numerous banks across Bartow County and the City Of Cartersville. Accounts at these institutions are fully insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2010 and 2009, \$0 and \$0 were not covered by the FDIC, respectively.

NOTE 5—ADVERTISING COSTS

The Organization uses advertising to promote its programs among the individuals it serves. These costs are expensed as incurred. During 2010 and 2009, advertising costs totaled \$1,119 and \$942, respectively.

NOTE 6—EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 16, 2011, the date which the financial statements were available to be issued.

# **RL Jennings and Associates, PC**

**Certified Public Accountants**

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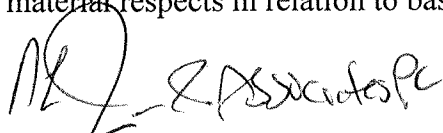
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## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY DATA**

To the Board of Directors  
Advocates for Bartow's Children, Inc.  
D/B/A Advocates for Children  
Cartersville, Georgia

Our report on our audits of the basic financial statements of Advocates for Bartow's Children, Inc. D/B/A Advocates for Children for 2010 and 2009 appears on page 1. Those audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to basic financial statements taken as a whole.



R L Jennings & Associates, PC

Certified Public Accountants

Rome, Georgia

June 16, 2011

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
D/B/A ADVOCATES FOR CHILDREN  
SCHEDULE OF STATE AND FEDERAL FUNDS EXPENDED  
For the Year Ended December 31, 2010

<u>Description of Funding Source</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
Direct payments from U.S. Dept. of Health and Human Services Runaway and Homeless Youth Program CFDA # 93.623 Federal Grant # G-90CY2353/01	-	\$148,820	
Federal Grant # G-90CY2353/02		47,580	\$196,400
Office of the Governor Criminal Justice Coordinating Council State Contract #C06-8-174	-	44,800	44,800
State of Georgia Dept. of Human Resources Funds State Contract #427-040-0000004807	\$1,003	-	1,003
State of Georgia Dept. of Human Resources CFDA # 93.556 State Contract #427-040-0000004895	-	331,119	331,119
State of Georgia Children's Trust Fund Commission State Contract #09-04-01	<u>2,168</u>	<u>-</u>	<u>2,168</u>
Total Expenditures of Federal and State Financial Assistance	<u>\$3,171</u>	<u>\$572,319</u>	<u>\$575,490</u>

See auditor's report on supplementary data.

ADVOCATES FOR BARTOW'S CHILDREN, INC.  
D/B/A ADVOCATES FOR CHILDREN  
SCHEDULE OF STATE AND FEDERAL FUNDS EXPENDED  
For the Year Ended December 31, 2009

<u>Description of Funding Source</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
Direct payments from U.S. Dept. of Health and Human Services Runaway and Homeless Youth Program CFDA # 93.623			
Federal Grant # G-90CY2353/01	-	\$41,500	\$41,500
Federal Grant # G-04CY0789/03		70,400	70,400
Office of the Governor Criminal Justice Coordinating Council			
State Contract #C06-8-174	-	2,944	2,944
State Contract #C08-8-001	-	30,000	30,000
State of Georgia Dept. of Human Resources Funds			
State Contract #427-93-08080214-99	\$7,378	-	7,378
State Contract #427-93-09090541-99	21,292	-	21,292
State of Georgia Dept. of Human Resources			
State Contract #427-93-09090787-99	-	332,442	332,442
State of Georgia Children's Trust Fund Commission			
State Contract #09-04-01	2,166	-	2,166
Total Expenditures of Federal and State Financial Assistance	<u>\$30,836</u>	<u>\$477,286</u>	<u>\$508,122</u>

See auditor's report on supplementary data.



# RL Jennings and Associates, PC

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

*To the Board of Directors  
Advocates for Bartow's Children  
D/B/A Advocates for Children  
Cartersville, GA 30121*

We have audited the financial statements of Advocates for Bartow's Children, Inc. D/B/A Advocates for Children as of and for the year ended December 31, 2010, which collectively comprise the Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's basic financial statements and have issued our report thereon dated June 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

### *Internal Control over Financial Reporting*

In planning and performing our audit, we considered Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's internal control. Accordingly, we do not express an opinion on the effectiveness of the Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's internal control over financial reporting.

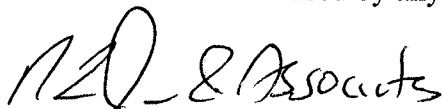
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, board of directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "RL Jennings & Associates".

RL Jennings & Associates, PC  
Rome, Georgia  
June 16, 2011

# RL Jennings and Associates, PC

Certified Public Accountants

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

*To the Board of Directors  
Advocates for Bartow's Children, Inc.  
D/B/A Advocates for Children  
Cartersville, GA 30121*

### Compliance

We have audited the compliance of Advocates for Bartow's Children, Inc. D/B/A Advocates for Children (a nonprofit organization) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Advocates for Bartow's Children, Inc. D/B/A Advocates for Children's management. Our responsibility is to express an opinion on Advocates of Bartow's Children, Inc. D/B/A Advocates for Children's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northwest Georgia Regional Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Advocates for Bartow's Children D/B/A Advocates for Children's compliance with those requirements.

In our opinion, Advocates for Bartow's Children D/B/A Advocates for Children, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of Advocates for Bartow's Children D/B/A Advocates for Children, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Advocates for Bartow's Children D/B/A Advocates for Children's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Advocates for Bartow's Children D/B/A Advocates for Children's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, board of directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "R. Associates, PC", is written over the typed name.

Rome, Georgia  
June 16, 2011

**Advocates for Bartow's Children, Inc.**

**D/B/A Advocates for Children**

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2010

**Section I—Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no

Reportable condition(s) identified not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

**Federal Awards**

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no

Reportable condition(s) identified not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major programs:

*Unqualified*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

\_\_\_\_\_ yes      X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.556	State of Georgia Dept. of Human Resources

**Advocates for Bartow's Children, Inc.**

**D/B/A Advocates for Children**

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2010

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Dollar threshold used to distinguish between Type A and Type B \$ 300,000

Auditee qualified as low-risk auditee?   X   yes      no

**Section II—Financial Statement Findings**

None reported.

**Section III—Federal Award Findings and Questioned Costs**

None reported.