

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

D/B/A Advocates for Children

FINANCIAL STATEMENTS

December 31, 2011 and 2010

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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, 2011 and 2010 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, 2011 and 2010 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 April 20, 2012 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 L Jennings & Associates, PC
Rome, Georgia
April 20, 2012

ADVOCATES FOR BARTOW'S CHILDREN, INC.
 STATEMENTS OF FINANCIAL POSITION
 D/B/A ADVOCATES FOR CHILDREN
 December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 273,128	\$ 291,659
Investments	137,118	89,308
Grants Receivable	33,622	-
Per Diems Receivable	1,541	198
Prepaid Expenses	<u>38,511</u>	<u>30,151</u>
TOTAL CURRENT ASSETS	<u>483,920</u>	<u>411,316</u>
NONCURRENT ASSETS		
Other Assets	13,300	13,300
Noncurrent Cash - Permanently Restricted	26,000	26,000
Property and Equipment (Net of Depreciation)	<u>428,258</u>	<u>443,748</u>
	<u>467,558</u>	<u>483,048</u>
TOTAL ASSETS	<u>\$ 951,478</u>	<u>\$ 894,364</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ <u>9,840</u>	\$ <u>5,550</u>
TOTAL CURRENT LIABILITIES	<u>9,840</u>	<u>5,550</u>
NET ASSETS		
Unrestricted	671,119	626,665
Unrestricted - Board Designated	242,643	231,429
Temporarily Restricted	1,876	4,720
Permanently Restricted	<u>26,000</u>	<u>26,000</u>
TOTAL NET ASSETS	<u>941,638</u>	<u>888,814</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 951,478</u>	<u>\$ 894,364</u>

See independent 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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
UNRESTRICTED NET ASSETS		
Revenue, Gains and Other Support:		
Federal Financial Assistance	\$ 573,266	\$ 611,791
Per Diem - Counties and State	-	-
State Grants and Contracts	158,794	94,648
Seminar and Counseling Fees	40,310	36,128
Other Revenues	-	-
Contributions - Civic Organizations and Individuals	454,621	456,225
Interest Income and Dividend Income	2,490	4,152
Fund Raising	232,447	231,196
In Kind Support	119,683	140,323
TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>1,581,611</u>	<u>1,574,463</u>
Net Assets Released from Restrictions:		
Satisfaction of Purpose Restrictions	<u>2,844</u>	<u>-</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE AND RECLASSIFICATIONS	<u>1,584,455</u>	<u>1,574,463</u>
Expenses		
Program Services:		
Shelter	648,165	595,766
Divorce Seminar	25,160	27,660
Supervised Visitation	43,468	14,368
First Steps	14,185	15,362
Baby Think It Over	-	-
A Better Way	112,518	67,193
C.A.S.A.	202,999	189,774
Rainbows	6,471	5,767
Peer Educators	2,622	1,121
Supporting Services:		
Management and General	346,383	383,897
Fund Raising	126,816	159,863
TOTAL EXPENSES	<u>1,528,787</u>	<u>1,460,771</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>55,668</u>	<u>113,692</u>

See independent 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>2011</u>	<u>2010</u>
TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Temporarily Restricted	\$ -	\$ 3,654
Net Assets Released from Restrictions	<u>(2,844)</u>	<u>-</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED ASSETS	<u>(2,844)</u>	<u>3,654</u>
CHANGE IN NET ASSETS	52,824	117,346
NET ASSETS AT BEGINNING OF YEAR	<u>888,814</u>	<u>771,468</u>
NET ASSETS AT END OF YEAR	<u>\$ 941,638</u>	<u>\$ 888,814</u>

See independent 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, 2011

	Program Services						Supporting Services				
	Children's Shelter	Divorce Seminar	Supervised Visitation	First Steps	A Better Way	C.A.S.A.	Rainbows	Peer Educators and Other Programs	Management and General	Fund Raising	Totals
Compensation and related expenses											
Compensation	\$ 403,345	\$ -	\$ 17,192	\$ -	\$ 80,757	\$ 160,839	\$ -	\$ -	\$ 188,397	\$ 9,916	\$ 860,446
Employee Benefits	16,596	-	706	-	3,178	6,709	-	-	7,768	353	35,310
Payroll taxes	44,675	-	453	-	2,038	15,761	-	-	22,977	226	86,130
Total Compensation	464,616	-	18,351	-	85,973	183,309	-	-	219,143	10,495	981,886
Conferences and training	6,134	-	-	-	4,814	3,010	-	-	2,610	-	16,568
Security	-	1,500	-	-	-	-	-	-	-	-	1,500
Meetings	-	-	-	-	-	-	-	-	-	-	4,480
Depreciation	18,628	-	-	-	-	-	-	-	4,480	-	23,285
Insurance	-	-	-	-	-	-	-	-	4,657	-	-
Liability - Auto, Directors & Officers	-	-	-	-	-	-	-	-	-	-	-
Workers Compensation	-	-	-	-	-	-	-	-	11,745	-	11,745
Charitable donations	-	-	-	-	-	-	-	-	5,007	-	5,007
Dues and subscriptions	3,631	-	-	-	-	-	-	-	-	-	-
Equipment rent and maintenance	-	-	-	-	-	-	-	-	-	-	-
Rent	42,388	-	-	-	-	-	-	-	3,630	-	46,018
Utilities	19,880	-	-	-	-	-	-	-	11,023	-	30,903
Clothing	2,100	-	-	-	5,852	-	-	-	20,000	-	27,952
Food	24,715	-	-	-	-	-	-	-	10,241	-	34,956
Gifts and awards	253	-	8,160	-	-	-	-	-	-	-	8,413
Consultation fees	955	19,950	3,620	10,900	-	-	3,800	-	6,572	-	32,875
Medical expense	5,562	-	-	-	-	-	-	-	-	-	6,825
Supplies	-	-	-	-	-	-	-	-	-	-	39,225
Household	6,329	-	-	-	-	-	-	-	-	-	5,562
Office and program materials	12,355	-	7,026	3,285	1,727	3,670	-	-	-	-	6,329
Telephone	3,323	-	-	-	6,434	51	2,671	2,622	16,672	116,321	166,350
Vehicle	6,300	-	-	-	-	-	-	-	3,322	-	13,130
Recreation	5,292	-	-	-	-	-	-	-	-	-	6,300
Travel	12,052	3,120	-	-	1,299	3,499	-	-	-	-	5,292
Repairs and maintenance	4,812	-	-	-	-	-	-	-	-	-	21,248
Postage	-	-	-	-	-	-	-	-	1,278	-	5,292
Technology	-	-	-	-	107	-	-	-	2,479	-	7,291
Advertising	6,312	-	6,311	-	6,312	14	-	-	8,356	-	8,477
Miscellaneous	-	-	-	-	-	6,311	-	-	6,312	-	31,558
Accounting fees	2,529	590	-	-	-	-	-	-	415	-	415
Total expenses	\$648,165	\$ 25,160	\$ 43,468	\$ 14,185	\$ 112,518	\$ 202,999	\$ 6,471	\$ 2,622	\$ 346,383	\$ 126,817	\$ 1,528,787

See Independent 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	Peer Educators and Other Programs	Management and General	Fund Raising	Totals
Compensation and related expenses											
Compensation	\$ 403,665	\$ -	\$ -	\$ -	\$ 42,000	\$ 153,030	\$ -	\$ -	\$ 230,771	\$ 14,526	\$ 843,992
Employee Benefits	15,016	-	-	-	1,562	5,692	-	-	8,584	541	31,395
Payroll taxes	32,491	-	-	-	3,213	11,317	-	-	23,173	1,111	71,305
Total Compensation	451,172	-	-	-	46,775	170,039	-	-	262,528	16,178	946,692
Conferences and training	5,020	-	-	-	2,966	5,173	-	-	3,989	-	17,148
Security	-	1,500	-	-	-	-	-	-	-	-	1,500
Meetings	-	-	-	-	-	-	-	-	-	-	3,310
Depreciation	17,458	-	-	-	-	-	-	-	4,365	-	21,823
Insurance	-	-	-	-	-	-	-	-	-	-	-
Liability - Auto, Directors & Officers	-	-	-	-	-	-	-	-	12,882	-	12,882
Workers Compensation	-	-	-	-	-	-	-	-	7,844	-	7,844
Charitable donations	-	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	4,357	-	-	-	-	-	-	-	4,357	-	8,714
Equipment rent and maintenance	-	-	-	-	-	-	-	-	8,157	-	8,157
Rent	42,388	-	-	-	-	-	-	-	20,000	-	62,388
Utilities	17,142	-	-	-	5,922	-	-	-	8,443	-	31,507
Clothing	923	-	-	-	-	-	-	-	-	-	923
Food	18,489	-	-	-	-	-	-	-	-	-	18,489
Gifts and awards	783	-	-	-	-	-	-	-	-	-	1,289
Consultation fees	-	21,600	1,600	9,600	-	-	3,800	-	506	-	36,600
Medical expense	4,475	-	-	-	-	-	-	-	-	-	4,475
Supplies	-	-	-	-	-	-	-	-	-	-	-
Household	4,905	-	-	-	-	-	-	-	-	-	4,905
Office and program materials	1,290	3,650	8,255	1,249	3,835	3,574	1,967	1,121	16,517	143,685	185,143
Telephone	-	-	-	-	6,433	-	-	-	7,327	-	13,760
Vehicle	3,395	-	-	-	-	-	-	-	-	-	3,395
Recreation	4,675	-	-	-	-	-	-	-	-	-	4,675
Travel	6,463	360	-	-	1,061	4,238	-	-	1,339	-	13,461
Repairs and maintenance	7,259	-	-	-	-	-	-	-	3,576	-	10,835
Postage	-	-	-	-	96	290	-	-	4,162	-	4,548
Technology	4,513	-	4,513	4,513	-	4,513	-	-	4,514	-	22,566
Advertising	-	-	-	-	-	-	-	-	1,119	-	1,119
Miscellaneous	1,059	550	-	-	105	1,947	-	-	500	-	4,161
Accounting fees	-	-	-	-	-	-	-	-	8,462	-	8,462
Total expenses	\$595,766	\$ 27,660	\$ 14,368	\$ 15,362	\$ 67,193	\$ 189,774	\$ 5,767	\$ 1,121	\$ 383,897	\$ 159,863	\$ 1,460,771

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

ADVOCATES FOR BARTOW'S CHILDREN, INC.
D/B/A ADVOCATES FOR CHILDREN
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 52,824	\$ 117,346
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	23,285	21,823
(Increase) Decrease in:		
Grants Receivable	(33,622)	
Investments	(47,810)	
Noncash Contribution of Fixed Assets	-	
Per Diem Receivable	(1,343)	(198)
Prepaid Expenses	(8,360)	(26,142)
Other Assets		(700)
Loss on Disposal of Fixed Assets	-	
(Decrease) Increase in:		
Accounts Payable	<u>4,290</u>	<u>(1,471)</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(10,736)	110,658
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Proceeds from Investments		(943)
Cash Payments for the Purchase of Property	<u>(7,795)</u>	<u>(9,981)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(7,795)</u>	<u>(10,924)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(18,531)	99,734
CASH AND EQUIVALENTS, BEGINNING	<u>317,659</u>	<u>217,925</u>
CASH AND EQUIVALENTS, ENDING	\$ <u><u>299,128</u></u>	\$ <u><u>317,659</u></u>
SUPPLEMENTAL DISCLOSURES		
In-Kind Donation of Operating Sources		
Facilities Rent, Utilities and Donated Materials	\$ <u><u>119,863</u></u>	\$ <u><u>140,323</u></u>

See independent 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, 2011 and 2010

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, 2011 and 2010 the Organization received 36% and 39% of its revenue from federal grants, 54 % and 55% from other donor contributions, 10% and 6% 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, 2011 and 2010, 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, 2011 and 2010

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, 2011 and 2010.

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, 2011 and 2010

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, 2011 and 2010 relate to donor restrictions on assets.

Temporarily restricted net assets are available at December 31, 2011 and 2010 for the following purposes:

	<u>2011</u>	<u>2010</u>
Employee Medical	\$ <u>1,876</u>	\$ <u>4,720</u>
Spending		
	\$ <u>1,876</u>	\$ <u>4,720</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, 2011 and 2010

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2011 and 2010:

	2011	2010
Vehicles	\$ 33,724	\$ 33,724
Leasehold Improvements	57,165	54,170
Buildings	442,735	442,735
Furniture and Fixtures	109,604	106,004
	643,228	636,633
Less Accumulated Depreciation	214,970	192,885
Net Property and Equipment	<u>\$ 428,258</u>	<u>\$ 443,748</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, 2011 and 2010, \$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 2011 and 2010, advertising costs totaled \$415 and \$1,119, respectively.

NOTE 6 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 20, 2012, the date which the financial statements were available to be issued.

RL Jennings and Associates, PC

Certified Public Accountants

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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 2011 and 2010 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.



RL Jennings & Associates, PC

Rome, Georgia

April 20, 2012

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, 2011

<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		\$190,320	\$190,320
Office of the Governor Criminal Justice Coordinating Council CDFA #16.807 State Contract #C11-8-001	-	49,632	49,632
State of Georgia Dept. of Human Resources Funds State Contract #427-040-0000004807	\$4,152	-	4,152
State of Georgia Dept. of Human Resources CFDA # 93.658 State Contract #427-040-0000009416	-	321,547	321,547
State of Georgia Department of Juvenile Justice State Contract # 461-93-RBWO120003		2,851	
State of Georgia Permancy Initiative	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Total Expenditures of Federal and State Financial Assistance	<u>\$39,152</u>	<u>\$564,350</u>	<u>\$600,651</u>

See independent 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, 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 Federal Grant # G-90CY2353/02	-	\$148,820 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	2,168	-	2,168
Total Expenditures of Federal and State Financial Assistance	<u>\$3,171</u>	<u>\$572,319</u>	<u>\$575,490</u>

See Independent auditor's report on supplementary data.

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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, 2011, 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 April 20, 2012. 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.

RL Jennings & Associates, PC

RL Jennings & Associates, PC
Rome, Georgia
April 20, 2012

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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, 2011. 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 Advocates for Bartow's Children D/B/A Advocates for Children'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, 2011.

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.

RL Jennings & Associates, PC

RL Jennings & Associates, PC
Rome, Georgia
April 20, 2012

Advocates for Bartow's Children, Inc.

D/B/A Advocates for Children

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2011

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>
93.658	State of Georgia Dept. of Human Resources

For the Year Ended December 31, 2011

Auditee qualified as low-risk auditee?	X	yes	no
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