

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Financial Statements and Single Audit Reports

December 31, 2015 and 2014

With Independent Auditor's Report Thereon

Independent Auditor's Report

The Board of Directors
Georgia Center for Child Advocacy, Inc.:

Report on the Financial Statements

I have audited the accompanying financial statements of the Georgia Center for Child Advocacy, Inc. ("the Organization") which comprise the statements of financial position as of December 31, 2015 and 2014 and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 17, 2016 on my consideration of the Organization's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

James D. Johnson, CPA

May 17, 2016

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Statements of Financial Position

December 31, 2015 and 2014

	<u>Assets</u>	
	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 495,530	709,493
Investments	29,393	26,886
Accounts receivable	245,410	236,734
Contributions receivable, less allowance of \$18,630	20,950	43,210
Inventory	14,862	-
Prepaid expenses	26,699	22,434
	<hr/>	<hr/>
Total current assets	832,844	1,038,757
Contributions receivable, less allowance of \$16,370	16,370	12,630
Fixed assets, less accumulated depreciation	66,425	30,182
	<hr/>	<hr/>
Total assets	\$ <u>915,639</u>	<u>1,081,569</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued expenses	\$ <u>123,404</u>	<u>128,433</u>
Net assets:		
Unrestricted	113,096	164,881
Temporarily restricted	679,139	788,255
	<hr/>	<hr/>
Total net assets	792,235	953,136
	<hr/>	<hr/>
Total liabilities and net assets	\$ <u>915,639</u>	<u>1,081,569</u>

See accompanying notes to financial statements.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Statement of Activities

Year ended December 31, 2015
(with comparative totals for 2014)

	Unrestricted	Temporarily restricted	Totals	
			2015	2014
Revenue and support:				
Contributions	\$ 180,180	534,034	714,214	810,254
Contracts	1,079,470	-	1,079,470	1,159,421
Special events, net of expenses	220,394	-	220,394	197,702
Investment income	1,502	-	1,502	3,913
Program income	102,816	-	102,816	46,604
Program material sales	165,652	-	165,652	166,966
Other	26,650	-	26,650	94
Net assets released from restrictions	643,150	(643,150)	-	
Total	2,419,814	(109,116)	2,310,698	2,384,954
Expenses:				
Program services	1,977,971	-	1,977,971	1,768,981
Fund raising	288,520	-	288,520	306,678
Management and general	205,108	-	205,108	150,652
Total	2,471,599	-	2,471,599	2,226,311
Change in net assets	(51,785)	(109,116)	(160,901)	158,643
Net assets at beginning of year	164,881	788,255	953,136	794,493
Net assets at end of year	\$ 113,096	679,139	792,235	953,136

See accompanying notes to financial statements.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Statement of Activities

Year ended December 31, 2014

	Unrestricted	Temporarily restricted	Total
Revenue and support:			
Contributions	\$ 164,324	645,930	810,254
Contracts	1,159,421	-	1,159,421
Special events, net of expenses	197,702	-	197,702
Investment income	3,913	-	3,913
Other	213,664	-	213,664
Net assets released from restrictions	735,144	(735,144)	-
Total	2,474,168	(89,214)	2,384,954
Expenses:			
Program services	1,768,981	-	1,768,981
Fund raising	306,678	-	306,678
Management and general	150,652	-	150,652
Total	2,226,311	-	2,226,311
Change in net assets	247,857	(89,214)	158,643
Net assets at beginning of year - (deficit)	(82,976)	877,469	794,493
Net assets at end of year	\$ 164,881	788,255	953,136

See accompanying notes to financial statements.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Statements of Cash Flows

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ (160,901)	158,643
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,681	10,631
Unrealized (gain) loss on investments	2,359	(2,127)
Increase in accounts receivable	(8,676)	(116,653)
Decrease in contributions receivable	22,260	29,646
Increase in inventory	(14,862)	-
Increase in prepaid expenses	(4,265)	(2,602)
(Increase) decrease in contributions receivable - long term	(3,740)	946
(Decrease) increase in accounts payable and accrued expenses	<u>(5,029)</u>	<u>49,835</u>
Net cash (used in) provided by operating activities	<u>(168,173)</u>	<u>128,319</u>
Cash flows from investing activities:		
Purchase of investments	(4,866)	-
Purchase of property and equipment	<u>(40,924)</u>	<u>-</u>
Net cash (used in) provided by investing activities	<u>(45,790)</u>	<u>-</u>
(Decrease) increase in cash and cash equivalents	(213,963)	128,319
Cash and cash equivalents at beginning of year	<u>709,493</u>	<u>581,174</u>
Cash and cash equivalents at end of year	<u>\$ 495,530</u>	<u>709,493</u>

See accompanying notes to financial statements.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Statement of Functional Expenses

Year ended December 31, 2015

	<u>Program Services</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total</u>
Personnel and benefits	\$ 1,369,168	235,975	153,594	1,758,737
Program supplies	205,334	8,390	-	213,724
Occupancy	111,353	4,098	2,382	117,833
Depreciation	3,511	655	515	4,681
Professional fees and consultants	144,726	5,785	33,582	184,093
Insurance	17,558	3,278	2,575	23,411
Travel	63,264	5,293	882	69,439
Office expense	59,848	6,259	11,100	77,207
Bad debt expense	-	18,773	-	18,773
Other	3,209	14	478	3,701
	<u>\$ 1,977,971</u>	<u>288,520</u>	<u>205,108</u>	<u>2,471,599</u>

See accompanying notes to financial statements.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Statement of Functional Expenses

Year ended December 31, 2014

	<u>Program Services</u>	<u>Fund Raising</u>	<u>Management and General</u>	<u>Total</u>
Personnel and benefits	\$ 1,162,764	206,428	111,617	1,480,809
Program supplies	184,539	284	-	184,823
Occupancy	103,229	3,751	1,876	108,856
Depreciation	8,079	1,595	957	10,631
Professional fees and consultants	173,823	3,462	32,457	209,742
Insurance	17,262	3,407	2,044	22,713
Travel	66,745	2,555	9	69,309
Bad debt expense	-	77,070	-	77,070
Office expense	50,352	7,930	1,614	59,896
Other	2,188	196	78	2,462
	<u>\$ 1,768,981</u>	<u>306,678</u>	<u>150,652</u>	<u>2,226,311</u>

See accompanying notes to financial statements.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Notes to Financial Statements

December 31, 2015 and 2014

(1) Summary of Significant Accounting Policies

(a) Organization

Georgia Center for Child Advocacy, Inc. (the "Organization") mission is to champion the needs of sexually and severely physically abused children through prevention, intervention, therapy, and collaboration. These services are provided at no cost to children who reside in DeKalb and Fulton County. The Organization's role throughout the criminal investigation is to focus on the child's needs, rather than focusing on the crime itself. The Organization was established as a private, non-profit agency in 1987. In 1992, the Organization was the 10th agency in the country to become an accredited member of the National Children's Alliance and the first in Georgia.

(b) Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as unrestricted, temporarily or permanently restricted.

Unrestricted net assets include amounts that are not subject to donor-imposed stipulations which are used to account for resources available to carry out the purposes of the Organization in accordance with the limitations of its charter and bylaws.

Temporarily restricted net assets are those resources currently available for use, but expendable only for purposes specified by the donor or grantor. Such resources originate from grants and contributions restricted for specific purposes. When a donor or grantor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets, and reported in the statement of activities as net assets released from restriction.

(c) Cash and Cash Equivalents

For the purpose of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and having original maturities of three months or less, when purchased

(d) Investments

Investments are stated at fair value. Securities are carried at market value, as quoted on major stock exchanges. Net realized and unrealized gains or losses on sales of investments are recognized in the period in which they occur.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Notes to Financial Statements

December 31, 2015 and 2014

(e) Property, equipment, and leasehold improvements

Expenditures for furniture, equipment and leasehold improvements are capitalized at cost. Contributed assets are recorded at their fair value at the date of gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets as follows:

		Life
Furniture and fixtures	\$	5 - 7 years
Equipment		3 - 5 years
Leasehold improvements		6 - 7 years

(f) Functional Allocation of Expense

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(g) Tax Status

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The tax years ending 2014, 2013, and 2012 are still open to audit for both federal and state purposes. The organization is not classified as a private foundation.

(h) Use of Estimates

Management of the Organization has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(2) Contributions Receivable

Contributions receivable, net, are summarized as follows at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 39,580	43,210
One year to five years	32,740	47,630
Over five years	-	-
	72,320	90,840
Less allowances for uncollectible promises to give	<u>(35,000)</u>	<u>(35,000)</u>
	<u>\$ 37,320</u>	<u>55,840</u>

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Notes to Financial Statements

December 31, 2015 and 2014

(3) Investments

At December 31, 2015 and 2014, the fair value of investments is as follows:

		<u>2015</u>		<u>2014</u>
Equity securities	\$	<u>29,393</u>		<u>26,886</u>

(4) Fair Value Measurements

The Organization follows the provisions of Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 820, *Fair Value Measurements and Disclosures*, for financial assets and liabilities. Under ASC 820, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Other significant observable inputs not quoted on active markets, but corroborated by market data.
- Level 3: Significant unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

The following table summarized the Organization's financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of December 31, 2015 and 2014:

December 31, 2015:					
		Total	Level 1	Level 2	Level 3
Publicly traded securities	\$	29,393	29,393	-	-
December 31, 2014:					
		Total	Level 1	Level 2	Level 3
Publicly traded securities	\$	26,886	26,886	-	-

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Notes to Financial Statements

December 31, 2015 and 2014

(5) Fixed Assets

Fixed assets consisted of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Furniture and fixtures	\$ 108,292	90,330
Leasehold improvements	142,163	142,163
Equipment	<u>137,090</u>	<u>114,128</u>
	387,545	346,621
Less accumulated depreciation	<u>(321,120)</u>	<u>(316,439)</u>
	<u>\$ 66,425</u>	<u>30,182</u>

(6) Restricted Net Assets

In 2015, the Organization determined that certain contributions that had previously been classified as temporarily restricted should have been classified as unrestricted.

This change resulted in the following restatement of the 2014 financial statements:

	Ending Unrestricted <u>Net Assets</u>	Ending Temporarily Restricted <u>Net Assets</u>
December 31, 2014, balances, as previously reported	\$ 128,214	824,922
Reclassification	<u>36,667</u>	<u>(36,667)</u>
Balances as restated	<u>\$ 164,881</u>	<u>788,255</u>

Temporarily restricted net assets at December 31, 2015 and 2014 consist of funds for the following:

	<u>2015</u>	<u>2014</u>
Capital Improvement Fund	\$ 86,570	100,000
Prevention Program	557,911	627,165
General Operating Support	17,008	41,090
United Way	<u>17,650</u>	<u>20,000</u>
	<u>\$ 679,139</u>	<u>788,255</u>

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Notes to Financial Statements

December 31, 2015 and 2014

Temporarily restricted net assets released from donor restrictions during 2015 and 2014 as a result of expenses being incurred to satisfy the restricted purposes specified by donors or the passage of time are as follows:

	<u>2015</u>	<u>2014</u>
Prevention Program	\$557,255	636,619
Capital Improvements	13,430	-
General Operating Support	<u>72,465</u>	<u>98,525</u>
	<u>\$643,150</u>	<u>735,144</u>

(7) Commitments

The Organization leases office equipment and space under operating leases for various terms. The Organization's facility is subleased from another nonprofit agency in Atlanta, Georgia. Rent expense was \$63,615 for the year ended December 31, 2015.

Minimum lease payments under the terms of these leases are as follows:

2016	\$ 64,974
2017	<u>61,193</u>
	<u>\$126,167</u>

(8) Line of Credit

The Organization has a line of credit with a bank of \$100,000 which is secured by all of the Organization's assets. The line of credit carries a floating interest rate of the prime rate plus 1%. At December 31, 2015, there was no amount outstanding on this line of credit.

(9) Retirement Plan

The Organization provides a Simple IRA plan for all employees who have at least \$5,000 in wages in the prior year. An employee can contribute up to \$10,000 (\$12,000 if age 50 or older) annually. The Organization can match the employee's contribution up to 3% of the employee's contribution. The Organization's contribution for the year ended December 31, 2015 and 2014 was \$19,281 and \$17,705, respectively.

(10) Subsequent Events

Subsequent events have been evaluated through May 17, 2016 which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2015

Federal grantor/Pass-Through <u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:				
Project InterCSECT	93.243	5U79SM061107-04 5U79SM061107-03	\$ 48,999	\$ 360,817
Pass-Through Programs From:				
Board of Regents of Georgia State University: Substance Abuse and Mental Health Services	93.087	SP00011079-03	-	36,445
Georgia Department of Human Services: Safe and Stable Family Services	93.556	42700-040C-PSSF-15-079	-	110,195
Georgia Department of Human Services: Stewards of Children's Training Classes	93.590	42700-040-0000045660	-	85,464
Georgia Department of Human Services: Division of Family and Children Services	93.669	42700-040-0000028667	-	75,694
Total U.S. Department of Health and Human Services			48,999	668,615
U. S. Department of Justice:				
Pass-Through Programs From:				
Office of the Governor - Georgia				
Victims of Crime Act Grant Program	16.575	C14-8-040	-	239,034
Children's Advocacy Centers of Georgia Response to Commercially Sexually Exploited Children	16.758	4-ATL- D-GA-SA15	-	27,000
Children's Advocacy Centers of Georgia National Children's Alliance Grant	16.758	ATLAF-GA-CSEC 15	-	25,000
Total U.S. Department of Justice			-	291,034
			<u>\$ 48,999</u>	<u>\$ 959,649</u>
		Total Federal Expenditures		

See accompanying independent auditor's report and notes to schedule of expenditures of federal awards.

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2015

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

(2) Summary of Significant Accounting Policies

Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(3) Matching

The Organization matched \$79,038 to the Victims of Crime Act Program and \$37,438 to the Safe and Stable Family Services programs for the year ended December 31, 2015 in addition to the federal share of expenditures in the accompanying schedule of expenditures of federal awards.

**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**

Independent Auditor's Report

The Board of Directors
Georgia Center for Child Advocacy, Inc.:

I have audited the financial statements, in accordance with auditing standards general 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, the financial statements of the Georgia Center for Child Advocacy, Inc. ("the Organization"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements and have issued my report thereon dated May 17, 2016.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

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 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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Jan Johnson, CPA.

May 17, 2016

**Report on Compliance For Each Major Federal Program
And on Internal Control Over Compliance Required by the Uniform Guidance**

Independent Auditor's Report

The Board of Directors
Georgia Center for Child Advocacy, Inc.:

Report on Compliance for Each Major Federal Program

I have audited the Georgia Center for Child Advocacy, Inc. ("the Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2015. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 the Organization's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In my opinion, Organization's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Organization'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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My 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 material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Dykhouse, CPA". The signature is written in a cursive style with a large initial "J".

May 17, 2016

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CRF 200.516(a)? yes no

Identification of major programs: CFDA 93.243 Project InterCSECT
CFDA 16.575 Victims of Crime Act Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes no

GEORGIA CENTER FOR CHILD ADVOCACY, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2015

Section II – Financial Statement Findings

There were no findings related to the financial statements for the year ended December 31, 2015.

Section III – Federal Award Findings and Questioned Costs

There were no findings and questioned costs related to the financial statements for the year ended December 31, 2015.