

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
GAINESVILLE, GEORGIA

FINANCIAL STATEMENTS  
(including supplemental material)

FOR THE YEARS ENDED  
December 31, 2010 and 2009

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.

GAINESVILLE, GEORGIA

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May 16, 2011

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Children's Center for Hope and Healing, Inc.  
Gainesville, Georgia

We have audited the accompanying statements of financial position of The Children's Center for Hope and Healing, Inc. (a non-profit corporation) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Center for Hope and Healing, Inc. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Comparative Schedule of Actual Revenues and Expenses to Budget, Schedule of Indirect Cost Percentage and Schedule of State Awards Expended are 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Alexander, Almand + Bangs, LLP*

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENT OF FINANCIAL POSITION

	For The Years Ended December 31,	
	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - Note 1	\$ 102,297	\$ 79,824
Investments - Note 1	21,925	19,200
Accounts receivable - grants - Note 2	88,294	84,164
Accounts receivable - other - Note 3	11,537	27,450
Prepaid expense	7,623	4,848
Total current assets	231,676	215,486
<b>PROPERTY AND EQUIPMENT - Notes 1 &amp; 4</b>		
Equipment	63,789	50,069
Leasehold improvements	1,070	1,070
Less accumulated depreciation	(35,313)	(25,443)
Total property and equipment	29,546	25,696
<b>TOTAL ASSETS</b>	<b>\$ 261,222</b>	<b>\$ 241,182</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,553	\$ 1,884
Total current liabilities	1,553	1,884
<b>NET ASSETS</b>		
Unrestricted net assets		
Board designated - Note 1	16,484	14,308
Undesignated	243,185	224,990
Total net assets	259,669	239,298
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 261,222</b>	<b>\$ 241,182</b>

The accompanying notes are an integral part of this statement.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENT OF ACTIVITIES

	For The Years Ended December 31,	
	2010	2009
<b>UNRESTRICTED NET ASSETS</b>		
Public support		
Direct public support - contributions	\$ 34,090	\$ 57,215
Indirect public support - United Way	126,087	124,968
Indirect public support - 5% funds	9,300	8,269
Fundraising	32,200	46,713
Total public support	201,677	237,165
Revenue		
Program services fees	4,625	6,668
In-kind services - Note 6	36,923	66,714
Investment and interest	3,396	5,080
Grants	361,405	285,189
Miscellaneous/restitution	-	925
Total revenue	406,349	364,576
<b>TOTAL UNRESTRICTED NET ASSETS</b>	<b>608,026</b>	<b>601,741</b>
<b>EXPENSES</b>		
Program services		
Victim services	224,393	201,828
Pathfinder	203,536	178,706
Women's services	112,410	54,565
Prevention	24,924	21,462
Fundraising	22,392	51,280
Total expenses	587,655	507,841
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>20,371</b>	<b>93,900</b>
<b>NET ASSETS, beginning of year</b>	<b>239,298</b>	<b>145,398</b>
<b>NET ASSETS, end of year</b>	<b>\$ 259,669</b>	<b>\$ 239,298</b>

The accompanying notes are an integral part of this statement.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENT OF CASH FLOWS

	For The Years Ended	
	December 31,	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of support and revenues over expenses	\$ 20,371	\$ 93,900
Adjustments to reconcile excess to net cash provided by operating activities:		
Depreciation	9,870	3,266
(Gain)/loss on investments	(2,725)	(3,895)
Donations of furniture and equipment	-	(22,257)
(Increase) decrease in:		
Accounts receivable - grants	(4,130)	(11,481)
Accounts receivable - other	15,913	(7,999)
Prepaid expenses	(2,775)	(1,357)
Increase (decrease) in:		
Accounts payable	(331)	1,077
Accrued liabilities	-	-
Net cash provided (used) by operating activities	36,193	51,254
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(13,720)	(2,982)
Net cash provided (used) by investing activities	(13,720)	(2,982)
<b>INCREASE (DECREASE) IN CASH</b>	22,473	48,272
CASH, and cash equivalents, beginning of year	79,824	46,857
Reclassification of investment account - Note 5	-	(15,305)
CASH, and cash equivalents, end of year	\$ 102,297	\$ 79,824

The accompanying notes are an integral part of this statement.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2010

	Victim Services	Project Pathfinder	Women's Services
<b>SALARIES AND RELATED EXPENSES</b>			
Salaries and wage expense	\$ 126,895	\$ 120,165	\$ 80,282
Payroll tax expense	11,147	10,730	7,029
Health insurance	123	123	-
Administrative personnel cost allocation	9,295	8,430	4,656
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>147,460</b>	<b>139,448</b>	<b>91,967</b>
<b>OTHER EXPENSES</b>			
Accounting	3,750	2,625	-
Board development	21	13	-
Consulting fees	1,131	1,260	375
Depreciation	-	-	-
Dues	-	-	-
Equipment rental	1,340	1,343	1,000
Fundraising expense	-	-	-
Insurance	3,845	2,667	507
Miscellaneous	992	725	551
Postage	1,137	1,111	510
Printing and publication	2,984	2,838	1,540
Program supplies	4,444	5,616	2,949
Public relations	243	243	155
Rent and utilities	15,236	12,598	4,664
Repairs and maintenance	618	583	238
Staff development	2,787	3,216	1,098
Telephone	3,664	2,196	926
Travel	2,157	2,681	524
In-kind goods and services - Note 6	21,953	14,730	80
General administrative expense allocation	10,631	9,643	5,326
<b>TOTAL OTHER EXPENSES</b>	<b>76,933</b>	<b>64,088</b>	<b>20,443</b>
<b>TOTAL PROGRAM SERVICE EXPENSE</b>	<b>\$ 224,393</b>	<b>\$ 203,536</b>	<b>\$ 112,410</b>

The accompanying notes are an integral part of this statement.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2010

<u>Prevention</u>	<u>Fundraising</u>	<u>Management &amp; General</u>	<u>Eliminations</u>	<u>Total</u>
\$ 18,175	\$ 8,332	\$ 22,299	\$ -	\$ 376,148
1,556	716	2,041	-	33,219
-	-	-	-	246
1,032	927	-	(24,340)	-
<u>20,763</u>	<u>9,975</u>	<u>24,340</u>	<u>(24,340)</u>	<u>409,613</u>
-	-	1,125	-	7,500
2	-	31	-	67
-	1,392	136	-	4,294
-	-	9,870	-	9,870
18	-	683	-	701
253	1,148	375	-	5,459
-	-	-	-	-
67	-	726	-	7,812
100	733	1,102	-	4,203
443	1,220	478	-	4,899
647	2,347	2,858	-	13,214
573	4,437	1,548	-	19,567
78	-	481	-	1,200
697	-	4,995	-	38,190
13	-	398	-	1,850
-	-	576	-	7,677
-	-	1,265	-	8,051
10	-	1,193	-	6,565
80	80	-	-	36,923
1,180	1,060	-	(27,840)	-
<u>4,161</u>	<u>12,417</u>	<u>27,840</u>	<u>(27,840)</u>	<u>178,042</u>
<u>\$ 24,924</u>	<u>\$ 22,392</u>	<u>\$ 52,180</u>	<u>\$ (52,180)</u>	<u>\$ 587,655</u>

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2009

	Victim Services	Project Pathfinder	Women's Services
<b>SALARIES AND RELATED EXPENSES</b>			
Salaries and wage expense	\$ 102,769	\$ 95,395	\$ 40,569
Payroll tax expense	8,114	7,531	3,203
Health insurance	374	-	-
Administrative personnel cost allocation	11,465	10,152	3,100
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>122,722</b>	<b>113,078</b>	<b>46,872</b>
<b>OTHER EXPENSES</b>			
Accounting	1,500	3,000	-
Administrative mailing	50	50	-
Board development	-	-	-
Consulting fees	593	2,211	46
Depreciation	-	-	-
Dues	-	-	-
Equipment rental	2,171	884	347
Fundraising expense	-	-	-
Insurance	4,192	6,343	40
Miscellaneous	1,137	1,040	280
Postage	396	410	68
Printing and publication	813	2,106	74
Program supplies	4,330	5,535	1,005
Public relations	132	507	-
Publications and videos	-	334	-
Rent and utilities	15,737	14,555	581
Staff development	1,867	3,183	-
Telephone	3,114	2,253	499
Travel	1,003	1,019	78
In-kind goods and services - Note 6	24,776	6,885	-
General administrative expense allocation	17,295	15,313	4,675
<b>TOTAL OTHER EXPENSES</b>	<b>79,106</b>	<b>65,628</b>	<b>7,693</b>
<b>TOTAL PROGRAM SERVICE EXPENSE</b>	<b>\$ 201,828</b>	<b>\$ 178,706</b>	<b>\$ 54,565</b>

The accompanying notes are an integral part of this statement.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2009

<u>Prevention</u>	<u>Fundraising</u>	<u>Management &amp; General</u>	<u>Eliminations</u>	<u>Total</u>
\$ 15,793	\$ 17,031	\$ 25,880	\$ -	\$ 297,437
1,247	1,345	2,699	-	24,139
-	-	270	-	644
<u>1,219</u>	<u>2,913</u>	<u>-</u>	<u>(28,849)</u>	<u>-</u>
<u>18,259</u>	<u>21,289</u>	<u>28,849</u>	<u>(28,849)</u>	<u>322,220</u>
-	-	3,000	-	7,500
-	-	50	-	150
-	-	531	-	531
174	-	2,160	-	5,184
-	-	3,266	-	3,266
-	-	293	-	293
268	-	752	-	4,422
-	8,760	-	-	8,760
342	-	1,225	-	12,142
-	799	1,225	-	4,481
164	-	1,795	-	2,833
163	-	1,615	-	4,771
131	-	1,806	-	12,807
-	-	331	-	970
-	-	35	-	369
-	-	4,689	-	35,562
-	-	6,650	-	11,700
-	-	852	-	6,718
122	-	445	-	2,667
-	16,038	12,796	-	60,495
<u>1,839</u>	<u>4,394</u>	<u>-</u>	<u>(43,516)</u>	<u>-</u>
<u>3,203</u>	<u>29,991</u>	<u>43,516</u>	<u>(43,516)</u>	<u>185,621</u>
<u>\$ 21,462</u>	<u>\$ 51,280</u>	<u>\$ 72,365</u>	<u>\$ (72,365)</u>	<u>\$ 507,841</u>

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

The Children's Center for Hope and Healing, Inc. (the Center) is a non-profit organization incorporated in 1987 with the mission of breaking the cycle of child sexual abuse through four distinct programs. By providing no-cost therapy, the Center serves children ages 4 to 17 who have been the victims of sexual abuse. Through Project Pathfinder, The Children's Center for Hope and Healing also provides treatment for children who have sexual behavior problems and for youth, ages 12-17 who have been adjudicated for sexual offenses. In addition, through community and school presentations, the Center engages in primary prevention services. Finally, the Center offers individual and group therapy to women who are adult survivors of child sexual abuse. The agency serves 13 counties of Northeast Georgia through two offices. The main office is located in Gainesville, GA. A satellite office is in Cumming, GA. In addition, the agency utilizes spaces borrowed from another agency in Barrow County to offer services in Winder, GA. In 2010, 1,195 people were served through the agency's three counseling programs.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Cash and Cash Equivalents**

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase. Cash and cash equivalents totaled \$ 102,297 and \$ 79,824 as of December 31, 2010 and 2009, respectively.

At times, cash and cash equivalents may exceed federally insured amounts. The Center believes it mitigates any risk by depositing cash and investing in cash equivalents with major financial institutions. For 2010, cash on deposit in non-interest bearing accounts is fully insured, and cash on deposit in interest bearing accounts is insured up to \$ 250,000. Cash and cash equivalents did not exceed the federally insured limit of \$ 250,000 in interest bearing accounts.

**Investments**

Endowment funds held by the North Georgia Community Foundation do have donor-imposed restrictions. The investments consist of money market accounts and investments with American Funds. These investments are measured at fair value using the Level 1 fair value hierarchy measurement. At December 31, 2010, these funds include \$ 5,441 in undesignated funds and \$ 16,484 designated for future building. At December 31, 2009, these funds include \$ 4,892 in undesignated funds and \$ 14,308 designated for future building. The realized and unrealized gains or losses have been recorded as investment and interest income on the statement of activities.

**Support and Revenue**

The Center receives grant and contract support revenue from Federal, State, County and City agencies. The Center recognizes contract revenue, up to the contract ceiling, either on a pro-rata basis over a 12-month period, which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract. Any of the funding sources may, at its discretion, request reimbursement for expenses or denial of funds, or both, as a result of non-compliance by the Center with the terms of the grants/contracts.

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Support that is restricted by the donor to fund program costs beyond the current year is classified as a temporarily restricted asset. Permanently restricted assets relate to endowment funds that hold funds with specified donor-imposed restrictions.

**Property and Equipment**

Property and equipment are valued at actual cost if purchased or fair market value if contributed. Depreciation is provided using the straight-line basis over the following useful lives:

Computer equipment	3 – 5 years
Furnishings and equipment	7 – 10 years
Leasehold improvements	15 – 39 years

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expense for the years ended December 31, 2010 and 2009 was \$ 9,870 and \$ 3,266, respectively.

**Functional Allocation of Expense**

Expenses are charged to each program based on direct expenditures incurred. Certain general and administrative costs have been allocated among the programs based on the expenditures for salaries and direct program costs incurred for each program. Direct fundraising expenses totaling \$ 33,564 and \$ 43,973 for the years ended December 31, 2010 and 2009, respectively, consisted of printing, mailing, supplies, in-kind goods and rental costs.

**Allocated Expenses**

The Center adopted an indirect cost policy in 2002, which allows management and general administrative expenses incurred for common objectives that cannot be readily identified with a particular program to be allocated among applicable programs as indirect costs based on the relative percentage of total of salary expense and program costs.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

**Income Tax**

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

The Center files tax returns in the U.S. federal jurisdiction. The Center adopted FASB ASC 740, *Income Taxes Overall Disclosure, Unrecognized Tax Benefit Related Disclosures*, as of January 1, 2009. Management has established procedures to identify any unrecognized tax benefit. There were no unrecognized tax benefits for 2010.

The Center used the asset or liability method of accounting for income taxes, as set forth in FASB ASC 740, *Income Taxes*. Under the liability method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to be settled or realized. A valuation allowance is established for deferred tax assets when it is more likely than not that the benefits of such assets will not be realized.

**Reclassifications**

Certain prior year balances have been reclassified to conform to the current year presentation. Such reclassifications had no effect on the change in net assets.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Compensated Absences**

The Center does not accrue compensated absences because they are considered insignificant to the financial statements.

**Note 2 – GRANTS RECEIVABLE**

Grants receivables consist of the following as of:

	December 31,	
	2010	2009
VOCA Grant	\$ 30,240	\$ 29,118
VAWA Grant	8,059	15,016
Pathfinder Grants	21,218	24,667
State of Georgia	28,777	15,363
	\$ 88,294	\$ 84,164

**Note 3 – OTHER ACCOUNTS RECEIVABLE**

Other accounts receivable consist of the following as of:

	December 31,	
	2010	2009
Resource Development	\$ 500	\$ 11,600
United Way - Dawson County	1,612	-
United Way - Forsyth County	9,425	11,100
United Way - Hall County	-	4,750
	\$ 11,537	\$ 27,450

No allowance for estimated uncollectibles is reported, as management believes the amount is fully collectible.

**Note 4 – ASSETS AND DEPRECIATION**

Depreciation of assets is calculated on the straight-line basis over the estimated useful lives of the assets. The cost of such assets are as follows:

	December 31,	
	2010	2009
Furniture, Fixtures & Equipment	\$ 63,789	\$ 50,069
Leasehold Improvements	1,070	1,070
Less Accumulated Depreciation	(35,313)	(25,443)
	\$ 29,546	\$ 25,696

There were not any donations in-kind for assets in the current year. In 2009, furniture and equipment of \$ 22,257 was donated to the organization. This had been recognized at fair value and accounted for in accordance with the policy on property, plant and equipment.

**Note 5 - RECLASSIFICATIONS**

In prior years, the North Georgia Community Foundation donor and agency funds were considered cash and cash equivalents. These should have been classified as short term investments. This had no effect on the change of net assets. The reclassification of \$ 15,305 is the balance of the investment accounts as of December 31, 2008.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

**Note 6 – DONATED GOODS AND SERVICES**

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Center receives donated services from student interns who perform counseling services for the organization.

Contributions of donated goods assist in fundraising efforts. These goods are utilized in special events and fundraisers to enhance the respective events and optimize fundraising. These goods are recorded at fair market value.

The fair market value of donated service, facilities and goods is included as in-kind contributions and in-kind expense in the following functional categories as of:

	December, 31	
	2010	2009
Victim's Services	\$ 21,953	\$ 24,776
Pathfinder	14,730	6,885
Women's Services	80	-
Prevention	80	-
Fundraising	80	16,038
Administrative	-	12,796
In-Kind Goods and Services Expense	36,923	60,495
Fixed Asset Donations	-	22,257
In-Kind Allocated to Fundraising	-	(16,038)
In-Kind Services	\$ 36,923	\$ 66,714

**Note 7 – RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Grants from government entities may be considered exchange transactions and are recorded as unrestricted. The Center has adopted this policy.

**Note 8 – INDIRECT COSTS**

The audited ratio of management and general administrative expenses allocated to programs under the Center's indirect cost policy for 2010 and 2009 calculated to 8.88% and 14.25%, respectively. There was neither interest paid nor income tax to consider, therefore no adjustments necessary for these items.

**NOTE 9 – CASH FLOWS**

For 2010, there were no interest payments, tax payments, or non-cash investing or financing transactions. In 2009, the non-cash investing transactions included furniture and equipment donated in the amount of \$ 22,257. There were no interest payments, tax payments, or non-cash financing transactions for 2009.

**NOTE 10 – LEASE COMMITMENTS**

The Center leases certain facilities under operating lease agreements. The Gainesville location was signed on August 31, 2009. The lease term is 36 months beginning November 1, 2009 and expiring October 31, 2012. The Center shall retain one option of renewing the lease for additional term of 2 years with 90 day written notice to the landlord.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010 and 2009

**NOTE 10 – LEASE COMMITMENTS (CONT'D)**

The Cumming location was signed on September 26, 2005. This was a one year lease expiring on October 31, 2006. The Center has an option to renew the lease for a 12 month renewal period with any renewal period to commence on the one year anniversary of the beginning date of the initial term and shall renew on each successive anniversary date provided the Center utilizes the renewal option. To exercise the renewal option, the Center must give a written notice to the landlord not less than 90 days prior to the expiration of the initial term or any renewal period. The Center has renewed the lease and expires October 31, 2011.

The rent expense totaled approximately \$ 30,025 and \$ 30,780 for the years ended December 31 2010 and 2009.

Aggregate minimum future liabilities under non cancelable lease agreements are as follows:

For the year ending December 31,	Operating Leases	
	2010	2009
2010	\$ -	\$ 30,025
2011	29,160	29,160
2012	22,050	22,050
2013	-	-
2014	-	-
2015	-	-
Thereafter	-	-
	\$ 51,210	\$ 81,235

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 16, 2011, the date the financial statements were available to be issued. There are no significant events that have occurred since the balance sheet date.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
 COMPARATIVE SCHEDULE OF ACTUAL REVENUES AND EXPENSES TO BUDGET  
 For the Year Ended December 31, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>(OVER) UNDER</u>
<b>REVENUES AND SUPPORT</b>			
Public Support			
Direct support - contributions	\$ 34,090	\$ 35,000	\$ 910
Indirect support			
Allocations by United Way Hall County	66,000	66,000	-
Allocations by United Way Forsyth County	42,000	42,000	-
Allocations by United Way Habersham County	10,000	15,000	5,000
Allocations by United Way Dawson County	2,150	2,400	250
Allocations by United Way Lumpkin County	2,200	4,500	2,300
Allocations by United Way White County	2,000	2,000	-
Allocations by United Way Metro Atlanta	1,737	-	(1,737)
Gainesville/Hall 5% funds	9,300	9,000	(300)
Fundraising	32,200	40,000	7,800
Total public support	<u>201,677</u>	<u>215,900</u>	<u>14,223</u>
Revenues			
Program service fees	4,625	7,000	2,375
In-kind services	36,923	-	(36,923)
Interest earnings	3,396	500	(2,896)
Restitution/other	-	1,500	1,500
Total revenue	<u>44,944</u>	<u>9,000</u>	<u>(35,944)</u>
Grants			
Criminal justice VOCA grant	126,176	125,027	(1,149)
Criminal justice VAWA grant	63,404	65,000	1,596
State of Georgia	28,776	48,839	20,063
Project Pathfinder through DFACS	114,599	100,989	(13,610)
Forsyth County Social Services	10,000	-	(10,000)
Jackson EMC Foundation	12,000	15,000	3,000
Other grants	6,450	-	(6,450)
Total grants	<u>361,405</u>	<u>354,855</u>	<u>(6,550)</u>
<b>TOTAL REVENUES AND SUPPORT</b>	<u>\$ 608,026</u>	<u>\$ 579,755</u>	<u>\$ (28,271)</u>

The accompanying notes are an integral part of this statement.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
 COMPARATIVE SCHEDULE OF ACTUAL REVENUES AND EXPENSES TO BUDGET (CONT'D)  
 For the Year Ended December 31, 2010

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>(OVER) UNDER</u>
EXPENSES			
Salaries and benefits	\$ 409,613	\$ 395,208	\$ (14,405)
Other			
Accounting	7,500	7,500	-
Board development	67	750	683
Consulting fees	4,294	7,500	3,206
Depreciation	9,870	4,000	(5,870)
Dues	701	750	49
Equipment rental	5,459	5,000	(459)
Equipment purchases	-	14,500	14,500
Fundraising expense	-	-	-
Insurance	7,812	13,000	5,188
Miscellaneous	4,203	1,500	(2,703)
Postage	4,899	6,500	1,601
Printing and publication	13,214	10,500	(2,714)
Program supplies	19,567	15,409	(4,158)
Public relations	1,200	1,500	300
Rent and utilities	38,190	35,300	(2,890)
Repairs and maintenance	1,850	-	(1,850)
Staff development	7,677	7,500	(177)
Telephone	8,051	8,000	(51)
Travel	6,565	6,000	(565)
In-kind expense	36,923	-	(36,923)
TOTAL EXPENSES	<u>\$ 587,655</u>	<u>\$ 540,417</u>	<u>\$ (47,238)</u>

The accompanying notes are an integral part of this statement.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
SCHEDULE OF INDIRECT COST PERCENTAGE  
For the Year Ended December 31, 2010

	<u>Victim Services</u>	<u>Project Pathfinder</u>	<u>Women's Services</u>
ALLOCATION BASE:			
Personnel (including fringe benefits)	\$ 138,165	\$ 131,018	\$ 87,311
Other program expenses	66,302	54,445	15,117
	<u>204,467</u>	<u>185,463</u>	<u>102,428</u>
PERCENTAGE ALLOCATION TO PROGRAM	38.2%	34.6%	19.1%
ALLOCATION OF PERSONNEL COSTS	9,295	8,430	4,656
ALLOCATION OF OTHER EXPENSE	<u>10,631</u>	<u>9,643</u>	<u>5,326</u>
TOTAL ALLOCATION	<u>\$ 19,926</u>	<u>\$ 18,073</u>	<u>\$ 9,982</u>

RATE

The accompanying notes are an integral part of this statement.

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
 SCHEDULE OF INDIRECT COST PERCENTAGE  
 For the Year Ended December 31, 2010

<u>Prevention</u>	<u>Fundraising</u>	<u>Total Direct Program Costs</u>	<u>Indirect Management &amp; General</u>	<u>Total</u>
\$ 19,731	\$ 9,048	\$ 385,273	\$ 24,340	\$ 409,613
<u>2,981</u>	<u>11,357</u>	<u>150,202</u>	<u>27,840</u>	<u>178,042</u>
<u>22,712</u>	<u>20,405</u>	<u>535,475</u>	<u>52,180</u>	<u>587,655</u>
4.2%	3.8%			
1,032	927			24,340
<u>1,180</u>	<u>1,060</u>			<u>27,840</u>
<u>\$ 2,212</u>	<u>\$ 1,987</u>			<u>\$ 52,180</u>
				<u>8.88%</u>

THE CHILDREN'S CENTER FOR HOPE AND HEALING, INC.  
SCHEDULE OF STATE AWARDS EXPENDED  
For the Year Ended December 31, 2010

CONTRACT NAME/NUMBER	<u>Cash Received</u>	<u>Expenditures</u>	<u>Due To State</u>	<u>Due From State</u>
US Department of Justice Bureau of Justice Assistance Pass-Through from State Criminal Justice Coordinating Council VOCA Victim Assistance Grant Program 2009-2010 / C09-8-032	\$ 95,883	\$ 95,883	\$ -	\$ -
2010-2011/	-	30,240	-	30,240
Office of the Governor Criminal Justice Coordinating Council American Recovery and Reinvestment Act of 2009 Stop Violence Against Women Act Grant 2009-2010/ W82-8-007	55,345	63,404	-	8,059
Georgia Department of Human Resources Division of Family and Children Services 2010 / 42700-040-0000006610	-	28,777	-	28,777
Georgia County Departments of Family and Children Services Pass-Through Federal Funding Promoting Safe and Stable Families Project Pathfinder Continuation Grant 2009-2010 / 366-2654	47,189	47,189	-	-
2010-2011 / 366-2654	-	10,317	-	10,317
Project Pathfinder Expansion Grant 2009-2010 / 366-2653	46,193	46,193	-	-
2010-2011 / 366-2653	-	10,901	-	10,901
	<u>\$ 244,610</u>	<u>\$ 332,904</u>	<u>\$ -</u>	<u>\$ 88,294</u>