

**SOMEONE CARES INC. OF ATLANTA
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2010**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Someone Cares Inc. of Atlanta
1950 Spectrum Circle
Suite A-140
Marietta, GA 30067

We have audited the accompanying statement of financial position of Someone Cares Inc. of Atlanta (the Organization) as of December 31, 2010 and the related statements of activities 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 upon 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 Someone Cares Inc. of Atlanta as of December 31, 2010 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

R. MICHAEL LABOUNTY & ASSOCIATES, P.C.

Atlanta, Georgia
April 11, 2012

**SOMEONE CARES INC. OF ATLANTA
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010**

ASSETS

CURRENT ASSETS:

Cash \$ 64,181

Total current assets 64,181

PROPERTY & EQUIPMENT:

Furniture & equipment 15,000

Less accumulated depreciation (14,405)

Total property & equipment - net 595

Total assets \$ 64,776

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable \$ 4,199

Demand note payable 5,235

Total current liabilities 9,434

NET ASSETS:

Unrestricted net assets 55,342

Total liabilities and net assets \$ 64,776

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**SOMEONE CARES INC. OF ATLANTA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010**

REVENUE AND SUPPORT:

Grants, services & contributions \$ 263,242

EXPENSES:

Personnel expenses	137,090
Contract labor	4,553
Occupancy	26,120
Supplies	16,966
Office expenses	18,792
Depreciation	2,046
Transportation	4,499
Communications	<u>6,502</u>

Total program expenses 216,568

INCREASE IN NET ASSETS 46,674

NET ASSETS - BEGINNING OF YEAR 8,668

NET ASSETS - END OF YEAR \$ 55,342

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**SOMEONE CARES INC. OF ATLANTA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010**

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:	
Increase in net assets	\$ 46,674
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	2,046
Decrease in receivables	16,643
(Decrease) in accounts payable	<u>(2,773)</u>
Net cash provided by operating activities	<u>62,590</u>
CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES:	
Net proceeds from disposition of property & equipment	<u>3,496</u>
CASH FLOWS (USED BY) FINANCING ACTIVITIES:	
Net payments on note payable	<u>(5,182)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	60,904
CASH, BEGINNING OF YEAR	<u>3,277</u>
CASH, END OF YEAR	<u><u>\$ 64,181</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u>\$ -</u>
Income taxes	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**SOMEONE CARES INC. OF ATLANTA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Someone Cares Inc. of Atlanta (the Organization) was incorporated in 2002. The Organization provides support services for individuals infected with the AIDS virus. The Organization is located in Northwest Atlanta.

Note A – Summary of Significant Accounting Policies

The Organization's Summary of Significant Accounting Policies is presented to assist in understanding its financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the statements' preparation. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity.

Basis of Accounting and Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Information regarding its financial position and activities is presented under three separate net asset classifications: unrestricted, temporarily restricted and permanently restricted net assets. As of December 31, 2010, there were no temporarily or permanently restricted net assets.

Cash and Cash Equivalents - Cash and cash equivalents include all highly liquid investments purchased with an initial maturity of three months or less. As of December 31, 2010, the Organization had no cash equivalents.

Property and Equipment - Purchased furniture, fixtures and office equipment are carried at cost. Donated furniture, fixtures and office equipment are carried at approximate fair value at date of donation. Expenditures for maintenance, repairs and improvements which do not materially prolong the life of the related asset are charged to expense. The cost of assets retired or sold and their associated accumulated depreciation are removed from the accounts upon disposition, with any related gain or loss included in income. Depreciation expense is calculated using the straight-line method over the asset's estimated useful life. Depreciation expense for the year ended December 31, 2010 was \$2,046.

Donated Assets, Services and In-Kind Donations - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions in accordance with generally accepted accounting principles. If the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization, a contribution and an expense of equal amounts are recognized. Other donations in-kind are recorded as contributions at their estimated fair values at the date of donation. The Organization recognized no in-kind donations and no donated assets or services for the year ended December 31, 2010.

Restricted and Unrestricted Contributions - Contributions which are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending upon the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. For the year ended December 31, 2010, all temporarily restricted contributions with a purpose restriction were used for the intended purpose within the year received.

SOMEONE CARES INC. OF ATLANTA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

Note A – Summary of Significant Accounting Policies (Continued)

Costs Allocated to Programs - The Organization applies allocation formulas to certain groups of expenses to make allocations of expenses to administration, resource development and programs. The allocation formulas are derived from cost of labor based upon personnel assignments and upon the space and resources assigned to the personnel involved in an activity. In addition, there are analyses of time expended for certain activities. Allocation formulas are reevaluated annually or as material changes warrant.

Income Taxes - The Organization is exempt from federal and state income tax according to IRS Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2010, the Organization did not have any unrelated business income and, accordingly, no unrelated business income tax. The Financial Accounting Standards Board has issued an Interpretation clarifying when an uncertainty in income taxes should be recognized or disclosed in the Organization's financial statements. The Organization has reviewed its tax positions and has determined that there are no tax uncertainties requiring recognition or disclosure.

Fair Value of Financial Instruments - The Organization's financial instruments consist of cash, accounts payable and a demand note payable. The carrying value of these instruments approximates fair value due to their relatively short-term nature.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Note B – Demand Note Payable

The Organization's Founder and Executive Director has advanced funds to the Organization for working capital between grant receipt intervals. This loan is in the form of a demand note, with no stated interest rate or formal repayment terms. The note balance as of December 31, 2010 is \$5,235.

Note C – Lease Commitment

The Organization leases space for its operations in Marietta, GA under the terms of a non-cancelable lease agreement expiring July 2014. Rent expense for the year ended December 31, 2010 was \$25,776. Future minimum lease payments over the remaining term of the lease as of December 31, 2010 are as follows:

Year Ending December 31,		
2011	\$	22,250
2012		24,300
2013		25,020
2014		<u>10,600</u>
	\$	<u>82,170</u>

SOMEONE CARES INC. OF ATLANTA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

Note D – Concentrations of Credit Risk

The Organization maintains cash balances and certificates of deposit at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC-insured limit has been increased to 100% of noninterest-bearing deposits plus up to \$250,000 of interest-bearing deposits per financial institution. As of December 31, 2010 the Institution's balances did not exceed these insured limits. Management believes that the FDIC backing and the quality of the financial institutions with which these amounts are deposited minimizes any potential risk of material loss.

Note E – Economic Environment

During 2010 and thus far through 2012, the United States and global credit markets continue to be impacted by the financial crisis which occurred in 2008 and resulted in several high-profile investment and commercial bank failures. These problems have affected the broader U.S. and global markets, as well as consumer confidence. It is uncertain how this downturn in the financial markets and consumer confidence may affect the operations, funding and contribution income of nonprofit organizations in the near future.

Note F – Subsequent Events

Management has evaluated events and transactions which occurred through April 11, 2012, which was the date the financial statements were available to be issued. As a result of this evaluation, management has determined that no events or transactions are required to be disclosed.