

**TUCSON CENTERS FOR WOMEN AND
CHILDREN, INC. DBA EMERGE! CENTER
AGAINST DOMESTIC VIOLENCE**

**AUDITED FINANCIAL STATEMENTS AND
A-133 SINGLE AUDIT REPORTS AND SCHEDULES
Years ended June 30, 2010 and 2009**

INDEPENDENT AUDITORS' REPORT

Board of Directors
Tucson Centers for Women and Children, Inc.
dba Emerge! Center Against Domestic Violence
Tucson, Arizona

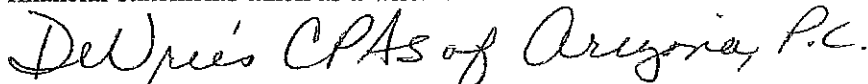
We have audited the accompanying statements of financial position of Tucson Centers for Women and Children, Inc. dba Emerge! Center Against Domestic Violence (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Tucson Centers for Women and Children, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audits 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 the 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 above present fairly, in all material respects, the financial position of Tucson Centers for Women and Children, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2010 on our consideration of Tucson Centers for Women and Children, Inc.'s internal control over financial reporting and on our 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 our 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* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Tucson Centers for Women and Children, Inc. taken as a whole. The accompanying schedule of expenditures of federal and other governmental awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


DEVRIES CPAS OF ARIZONA, P.C.

December 8, 2010

Integrity is the highest form of service.

TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.
DBA EMERGE! CENTER AGAINST DOMESTIC VIOLENCE
STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,127,843 | \$ 722,025 |
| Pooled investments - Notes 3 and 12 | 244,307 | 221,152 |
| Partnership investment - Note 3 | 176,994 | 176,998 |
| Contract receivables | 279,739 | 258,595 |
| Pledges receivable - Notes 4 and 12 | 10,565 | 16,412 |
| Prepaid expenses and other assets | 75,049 | 73,683 |
| Property and equipment - Notes 6, 7 and 8 | <u>3,615,663</u> | <u>3,798,425</u> |
| | <u>\$ 5,530,160</u> | <u>\$ 5,267,290</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|------------------|----------------|
| Liabilities: | | |
| Accounts payable | \$ 94,484 | \$ 90,995 |
| Accrued expenses and other liabilities | 225,434 | 228,385 |
| Line of credit - Note 7 | 0 | 85,000 |
| Notes payable - Note 8 | <u>1,031,768</u> | <u>855,507</u> |
| | 1,351,686 | 1,259,887 |

Commitments and contingencies - Notes 15 and 16

| | | |
|--|---------------------|---------------------|
| Net assets: | | |
| Unrestricted: | | |
| Undesignated | 1,240,379 | 620,715 |
| Expended for property and equipment | 2,583,895 | 2,942,918 |
| Board designated reserve | <u>39,120</u> | <u>79,177</u> |
| | 3,863,394 | 3,642,810 |
| Temporarily restricted - Notes 9 and 11 | 115,273 | 164,786 |
| Permanently restricted - Notes 10 and 11 | <u>199,807</u> | <u>199,807</u> |
| | <u>4,178,474</u> | <u>4,007,403</u> |
| | <u>\$ 5,530,160</u> | <u>\$ 5,267,290</u> |

See Accompanying Notes.

TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.
DBA EMERGE! CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF ACTIVITIES
Year ended June 30, 2010

| | <u>Unrestricted</u> | <u>Temporarily restricted</u> | <u>Permanently restricted</u> | <u>Total</u> |
|---------------------------------------|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Unrestricted net assets: | | | | |
| Revenues: | | | | |
| Contributions | \$ 570,118 | \$ 33,095 | | \$ 603,213 |
| Bequests | 121,147 | | | 121,147 |
| Governmental grants and contracts | 3,199,052 | | | 3,199,052 |
| Special events | 49,199 | | | 49,199 |
| In-kind donations - Note 13 | 264,991 | | | 264,991 |
| Investment income - Note 3 | 2,037 | 23,163 | | 25,200 |
| Program income | 174,782 | | | 174,782 |
| Gain on sale of property | 1,800 | | | 1,800 |
| Miscellaneous | 3,478 | | | 3,478 |
| | <u>4,386,604</u> | <u>56,258</u> | | <u>4,442,862</u> |
| Net assets released from restrictions | 105,771 | (105,771) | | 0 |
| Total revenues | <u>4,492,375</u> | <u>(49,513)</u> | | <u>4,442,862</u> |
| Expenses: | | | | |
| Program services | 3,354,505 | | | 3,354,505 |
| Management and general | 538,650 | | | 538,650 |
| Fundraising | 362,844 | | | 362,844 |
| | <u>4,255,999</u> | | | <u>4,255,999</u> |
| Direct costs of special events | 15,792 | | | 15,792 |
| Total expenses | <u>4,271,791</u> | <u>0</u> | | <u>4,271,791</u> |
| Change in net assets | 220,584 | (49,513) | | 171,071 |
| Net assets, beginning of year | <u>3,642,810</u> | <u>164,786</u> | <u>\$ 199,807</u> | <u>4,007,403</u> |
| Net assets, end of year | <u>\$ 3,863,394</u> | <u>\$ 115,273</u> | <u>\$ 199,807</u> | <u>\$ 4,178,474</u> |

See Accompanying Notes.

TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.
DBA EMERGE! CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF ACTIVITIES
Year ended June 30, 2009

| | <u>Unrestricted</u> | <u>Temporarily restricted</u> | <u>Permanently restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Unrestricted net assets: | | | | |
| Revenues: | | | | |
| Contributions | \$ 710,195 | \$ 188,303 | | \$ 898,498 |
| Governmental grants and contracts | 3,183,161 | | | 3,183,161 |
| Special events | 67,834 | | | 67,834 |
| In-kind donations - Note 13 | 260,351 | | | 260,351 |
| Investment income (loss) - Note 3 | 24,758 | (62,514) | | (37,756) |
| Program income | 154,067 | | | 154,067 |
| Miscellaneous | 3,931 | | | 3,931 |
| | <u>4,404,297</u> | <u>125,789</u> | | <u>4,530,086</u> |
| Net assets released from restrictions | <u>107,250</u> | <u>(107,250)</u> | | <u>0</u> |
| Total revenues | <u>4,511,547</u> | <u>18,539</u> | | <u>4,530,086</u> |
| Expenses: | | | | |
| Program services | 3,721,455 | | | 3,721,455 |
| Management and general | 902,597 | | | 902,597 |
| Fundraising | 250,014 | | | 250,014 |
| | <u>4,874,066</u> | | | <u>4,874,066</u> |
| Direct costs of special events | 22,804 | | | 22,804 |
| Total expenses | <u>4,896,870</u> | <u>0</u> | | <u>4,896,870</u> |
| Change in net assets | (385,323) | 18,539 | | (366,784) |
| Reclassification of net assets from UPMIFA adoption | (88,229) | 88,229 | | 0 |
| Net assets, beginning of year | <u>4,116,362</u> | <u>58,018</u> | \$ <u>199,807</u> | <u>4,374,187</u> |
| Net assets, end of year | <u>\$ 3,642,810</u> | <u>\$ 164,786</u> | <u>\$ 199,807</u> | <u>\$ 4,007,403</u> |

See Accompanying Notes.

TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.
DBA EMERGE! CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2010

| | <u>Program services</u> | <u>Management and general</u> | <u>Fundraising</u> | <u>Total</u> |
|--|-----------------------------|-----------------------------------|--------------------|---------------------|
| Salaries | \$ 2,187,953 | \$ 83,372 | \$ 28,809 | \$ 2,300,134 |
| Employee related expenses | <u>327,090</u> | <u>95,843</u> | <u>4,380</u> | <u>427,313</u> |
| Total salaries and related expenses | 2,515,043 | 179,215 | 33,189 | 2,727,447 |
| Advertising | 183 | | 343 | 526 |
| Bad debt expense | | | 3,767 | 3,767 |
| Building maintenance | 62,330 | 10,906 | 1,071 | 74,307 |
| Client assistance | 76,346 | | | 76,346 |
| Communications | 55,994 | 19,765 | 1,610 | 77,369 |
| Contracted services | 43,677 | 52,746 | 6,203 | 102,626 |
| Depreciation | 152,442 | 54,214 | | 206,656 |
| Equipment lease and maintenance | 74,246 | 55,349 | 4,348 | 133,943 |
| Food/supplies | 129,276 | 4,434 | 3,933 | 137,643 |
| In-kind expenses | 30 | 36 | 264,925 | 264,991 |
| Insurance | 37,730 | 9,053 | | 46,783 |
| Interest | 27,773 | 4,618 | | 32,391 |
| Legal/pension plan administration | 8,353 | 46,482 | 6,458 | 61,293 |
| Meetings and conferences | 234 | 7,204 | 667 | 8,105 |
| Merger expenses | | 8,550 | | 8,550 |
| Miscellaneous expense | 7,652 | 14,775 | 789 | 23,216 |
| Office supplies/postage/printing | 12,272 | 10,659 | 22,712 | 45,643 |
| Professional dues, subscriptions and advertisements | 6,510 | 14,007 | 10,277 | 30,794 |
| Rent | 13,463 | | | 13,463 |
| Staff training | 12,749 | 17,201 | 595 | 30,545 |
| Staff travel | 9,283 | 15,678 | 723 | 25,684 |
| Utilities | 102,836 | 8,204 | 1,234 | 112,274 |
| Vehicle expense | 6,083 | 5,554 | | 11,637 |
| | <u>\$ 3,354,505</u> | <u>\$ 538,650</u> | <u>\$ 362,844</u> | <u>\$ 4,255,999</u> |

See Accompanying Notes.

TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.
DBA EMERGE! CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2009

| | <u>Program services</u> | <u>Management and general</u> | <u>Fundraising</u> | <u>Total</u> |
|--|-----------------------------|-----------------------------------|--------------------|---------------------|
| Salaries | \$ 2,285,523 | \$ 340,830 | \$ 122,611 | \$ 2,748,964 |
| Employee related expenses | <u>358,628</u> | <u>109,501</u> | <u>22,018</u> | <u>490,147</u> |
| Total salaries and related expenses | 2,644,151 | 450,331 | 144,629 | 3,239,111 |
| Advertising | 150 | 383 | 4,128 | 4,661 |
| Bad debt expense | 9,383 | | | 9,383 |
| Building maintenance | 54,918 | 18,409 | 1,812 | 75,139 |
| Client assistance | 95,596 | | | 95,596 |
| Communications | 60,935 | 24,173 | 3,024 | 88,132 |
| Contracted services | | 64,910 | | 64,910 |
| Depreciation | 152,890 | 37,906 | | 190,796 |
| Equipment lease and maintenance | 45,891 | 39,131 | 7,090 | 92,112 |
| Food/supplies | 147,361 | 15,302 | 3,347 | 166,010 |
| In-kind expenses | 234,327 | 20,819 | 5,205 | 260,351 |
| Insurance | 6,391 | 36,804 | | 43,195 |
| Interest | 538 | 34,994 | | 35,532 |
| Legal/pension plan administration | 4,502 | 46,064 | 86 | 50,652 |
| Meetings and conferences | 800 | 6,642 | 2,061 | 9,503 |
| Merger expenses | 70,170 | 48,719 | | 118,889 |
| Miscellaneous expense | 23,878 | 7,276 | 3,931 | 35,085 |
| Office supplies/postage/printing | 14,473 | 19,350 | 19,708 | 53,531 |
| Professional dues, subscriptions and advertisements | 6,619 | 4,676 | 48,563 | 59,858 |
| Rent | 13,983 | | | 13,983 |
| Staff training | 11,517 | 3,541 | 110 | 15,168 |
| Staff travel | 16,724 | 8,983 | 3,297 | 29,004 |
| Utilities | 99,598 | 8,098 | 3,020 | 110,716 |
| Vehicle expense | 6,660 | 6,086 | 3 | 12,749 |
| | <u>\$ 3,721,455</u> | <u>\$ 902,597</u> | <u>\$ 250,014</u> | <u>\$ 4,874,066</u> |

See Accompanying Notes.

TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.
DBA EMERGE! CENTER AGAINST DOMESTIC VIOLENCE

STATEMENTS OF CASH FLOWS

Years ended June 30, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 171,071 | \$ (366,784) |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation | 206,656 | 190,796 |
| (Gain) on sale of property | (1,800) | 0 |
| Realized loss on investments | 61,129 | 10,512 |
| Unrealized (gain) loss on investments | (80,748) | 60,827 |
| (Increase) decrease in operating assets: | | |
| Contract receivables | (21,144) | 226,704 |
| Pledges receivable | 5,847 | 10,400 |
| Other receivables | 0 | 1,958 |
| Prepaid expenses and other assets | (1,366) | (21,182) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 3,489 | 25,807 |
| Accrued expenses and other liabilities | (2,951) | 153,565 |
| Deferred revenue | 0 | (10,878) |
| Net cash provided by operating activities | <u>340,183</u> | <u>281,725</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (78,673) | (370,361) |
| Proceeds from sale of property | 56,579 | 0 |
| Purchases of investments | (3,532) | (7,004) |
| Proceeds from sales of investments | 0 | 492,000 |
| Net cash provided by (used in) investing activities | <u>(25,626)</u> | <u>114,635</u> |
| Cash flows from financing activities: | | |
| Borrowings on line of credit | 115,000 | 85,000 |
| Repayments of line of credit | (200,000) | 0 |
| Proceeds from note payable | 400,000 | 0 |
| Payments of notes payable | (223,739) | (122,711) |
| Net cash provided by (used in) financing activities | <u>91,261</u> | <u>(37,711)</u> |
| Change in cash and cash equivalents | 405,818 | 358,649 |
| Cash and cash equivalents, beginning of year | <u>722,025</u> | <u>363,376</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,127,843</u> | <u>\$ 722,025</u> |
| <u>Supplemental cash flow disclosures:</u> | | |
| Cash paid for interest | <u>\$ 32,391</u> | <u>\$ 35,532</u> |
| No cash paid for income taxes in 2010 or 2009. | | |
| <u>Noncash investing and operating activities:</u> | | |
| Note payable used to purchase new building and land | <u>\$ 0</u> | <u>\$ 950,000</u> |

See Accompanying Notes.