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

## AUDITED FINANCIAL STATEMENTS AND
## SINGLE AUDIT REPORTS AND SCHEDULES
## YEARS ENDED JUNE 30, 2018 AND 2017

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
AUDITED FINANCIAL STATEMENTS AND
SINGLE AUDIT REPORTS AND SCHEDULES
YEARS ENDED JUNE 30, 2018 AND 2017

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HBL CPAs, P.C.
Certified Public Accountants

# INDEPENDENT AUDITORS' REPORT

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

***Report on the financial statements***

We have audited the accompanying financial statements of Tucson Centers for Women and Children, Inc. dba Emerge! Center Against Domestic Abuse (an Arizona nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows 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.

***Auditors' responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

***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, 2018 and 2017, 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*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and other governmental 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 audits 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.

***Other reporting required by Government Auditing Standards***

In accordance with *Government Auditing Standards,* we have also issued our report dated November 20, 2018 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 solely 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 effectiveness of Tucson Centers for Women and Children, Inc.'s 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 Tucson Centers for Women and Children, Inc.'s internal control over financial reporting and compliance.

HBL CPAs, P.C

**HBL CPAs, P.C.**

November 20, 2018

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

| | 2018 | 2017 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 1,566,139 | $ 1,981,015 |
| Investments | 1,062,227 | 541,605 |
| Grant and contract receivables | 435,828 | 362,705 |
| Pledges and foundation grants receivable | 390 | 95,458 |
| Bequests receivable | - | 53,652 |
| Other receivables | 12,007 | 2,532 |
| Gift cards | 20,932 | - |
| Prepaid expenses and deposits | 70,734 | 86,441 |
| Property and equipment | 1,856,520 | 1,870,518 |
| Beneficial interest in funds held by others | 333,483 | 318,085 |
| | $ 5,358,260 | $ 5,312,011 |
| **LIABILITIES AND NET ASSETS** | | |
| Liabilities: | | |
| Accounts payable | $ 83,834 | $ 57,078 |
| Accrued expenses and other liabilities | 137,528 | 161,776 |
| Custodial liabilities | 9,929 | 10,258 |
| | 231,291 | 229,112 |
| Net assets: | | |
| Unrestricted: | | |
| Undesignated | 1,810,311 | 1,792,344 |
| Expended for property and equipment | 1,856,520 | 1,870,518 |
| Board designated | 901,863 | 881,707 |
| | 4,568,694 | 4,544,569 |
| Temporarily restricted | 349,729 | 329,784 |
| Permanently restricted | 208,546 | 208,546 |
| | 5,126,969 | 5,082,899 |
| | $ 5,358,260 | $ 5,312,011 |

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

| | Unrestricted | Temporarily restricted | Permanently restricted | Total |
|---|---|---|---|---|
| Operating: | | | | |
| Revenues: | | | | |
| Contributions | $ 673,302 | $ 668,176 | $ - | $ 1,341,478 |
| Governmental grants | 3,394,076 | - | - | 3,394,076 |
| Vendor contracts | 189,982 | - | - | 189,982 |
| Special events, net of $20,996 direct donor benefit costs | 49,920 | - | - | 49,920 |
| In-kind donations | 263,862 | 1,606 | - | 265,468 |
| Bequest revenue | 20,442 | - | - | 20,442 |
| Miscellaneous | 18,956 | - | - | 18,956 |
| Change in allowance for uncollectible pledges | - | 3,883 | - | 3,883 |
| | 4,610,540 | 673,665 | - | 5,284,205 |
| Net assets released from restrictions | 669,397 | (669,397) | - | - |
| Total revenues | 5,279,937 | 4,268 | - | 5,284,205 |
| Expenses: | | | | |
| Program services | 4,423,743 | - | - | 4,423,743 |
| Management and general | 365,423 | - | - | 365,423 |
| Fundraising | 383,678 | - | - | 383,678 |
| Total expenses | 5,172,844 | - | - | 5,172,844 |
| Change in net assets from operations before other operating expenses | 107,093 | 4,268 | - | 111,361 |
| Other operating expenses – | | | | |
| Depreciation expense | 106,883 | - | - | 106,883 |
| Change in net assets from operations | 210 | 4,268 | - | 4,478 |
| Non-operating revenue – | | | | |
| Investment income | 23,915 | 15,677 | - | 39,592 |
| Change in net assets | 24,125 | 19,945 | - | 44,070 |
| Net assets, beginning of year | 4,544,569 | 329,784 | 208,546 | 5,082,899 |
| Net assets, end of year | $ 4,568,694 | $ 349,729 | $ 208,546 | $ 5,126,969 |

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

| | Unrestricted | Temporarily restricted | Permanently restricted | Total |
|---|---|---|---|---|
| Operating: | | | | |
| Revenues: | | | | |
| Contributions | $ 817,297 | $ 747,842 | $ - | $ 1,565,139 |
| Governmental grants | 3,330,776 | - | - | 3,330,776 |
| Vendor contracts | 220,668 | - | - | 220,668 |
| Special events, net of $43,813 direct donor benefit costs | 56,813 | - | - | 56,813 |
| In-kind donations | 186,180 | - | - | 186,180 |
| Bequest revenue | 13,343 | - | - | 13,343 |
| Miscellaneous | 6,973 | - | - | 6,973 |
| Change in allowance for uncollectible pledges | - | (3,619) | - | (3,619) |
| | 4,632,050 | 744,223 | - | 5,376,273 |
| Net assets released from restrictions | 753,113 | (753,113) | - | - |
| Total revenues | 5,385,163 | (8,890) | - | 5,376,273 |
| Expenses: | | | | |
| Program services | 4,194,944 | - | - | 4,194,944 |
| Management and general | 210,318 | - | - | 210,318 |
| Fundraising | 496,540 | - | - | 496,540 |
| Total expenses | 4,901,802 | - | - | 4,901,802 |
| Change in net assets from operations before other operating expenses | 483,361 | (8,890) | - | 474,471 |
| Other operating expenses – Depreciation expense | 102,103 | - | - | 102,103 |
| Change in net assets from operations | 381,258 | (8,890) | - | 372,368 |
| Non-operating revenue and (losses): | | | | |
| (Losses) on disposal of equipment | (892) | - | - | (892) |
| Investment income | 50,527 | 28,447 | - | 78,974 |
| | 49,635 | 28,447 | - | 78,082 |
| Change in net assets | 430,893 | 19,557 | - | 450,450 |
| Net assets, beginning of year | 4,105,241 | 318,662 | 208,546 | 4,632,449 |
| Transfers per donor stipulation | 8,435 | (8,435) | - | - |
| Net assets, end of year | $ 4,544,569 | $ 329,784 | $ 208,546 | $ 5,082,899 |

The accompanying notes are an integral part of these financial statements.

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

| | Program | Management and general | Fundraising | Total |
|---|---|---|---|---|
| Salaries | $ 2,739,700 | $ 215,567 | 173,568 | $ 3,128,835 |
| Employee related expenses | 493,787 | 48,729 | 33,488 | 576,004 |
| Total salaries and related expenses | 3,233,487 | 264,296 | 207,056 | 3,704,839 |
| Advertising | 314 | 11,265 | 11,263 | 22,842 |
| Building maintenance | 63,905 | 2,251 | 434 | 66,590 |
| CEO discretionary fund | 51,333 | 25,243 | - | 76,576 |
| Client assistance | 342,914 | - | - | 342,914 |
| Communications | 61,220 | 9,857 | 1,285 | 72,362 |
| Depreciation | 95,588 | 9,550 | 1,745 | 106,883 |
| Direct donor benefit costs | - | - | 20,996 | 20,996 |
| Equipment lease and maintenance | 77,095 | 7,125 | 8,455 | 92,675 |
| Food and supplies | 87,133 | 2,806 | 1,142 | 91,081 |
| In-kind expense | 150,861 | - | 110,170 | 261,031 |
| Insurance | 47,192 | 5,725 | 972 | 53,889 |
| Investment fees | - | - | 6,126 | 6,126 |
| Meetings and conferences | 360 | 152 | 21 | 533 |
| Miscellaneous expense | 2,525 | 234 | 10,592 | 13,351 |
| Office supplies, postage and printing | 8,672 | 8,667 | 19,897 | 37,236 |
| Professional dues, subscriptions | 3,198 | 833 | 509 | 4,540 |
| Professional services | 43,800 | 13,962 | 6,621 | 64,383 |
| Rent | 14,362 | 123 | 22 | 14,507 |
| Staff training | 30,805 | 6,001 | 3,191 | 39,997 |
| Staff travel | 13,412 | 2,332 | 1,218 | 16,962 |
| Grants to other organizations | 118,000 | - | - | 118,000 |
| Utilities | 63,045 | 4,014 | 733 | 67,792 |
| Vehicle expense | 10,110 | 537 | 97 | 10,744 |
| Total functional expenses | 4,519,331 | 374,973 | 412,545 | 5,306,849 |
| Less direct donor benefit costs netted against revenue | - | - | (20,996) | (20,996) |
| Less investment fees netted against investment income | - | - | (6,126) | (6,126) |
| Less depreciation expense reported as other operating expense | (95,588) | (9,550) | (1,745) | (106,883) |
| Total expenses | $ 4,423,743 | $ 365,423 | $ 383,678 | $ 5,172,844 |

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

| | Program | Management and general | Fundraising | Total |
|---|---|---|---|---|
| Salaries | $ 2,715,748 | $ 124,763 | $ 264,618 | $ 3,105,129 |
| Employee related expenses | 547,854 | 31,719 | 46,800 | 626,373 |
| Total salaries and related expenses | 3,263,602 | 156,482 | 311,418 | 3,731,502 |
| Advertising | 185 | 52 | 45,219 | 45,456 |
| Building maintenance | 73,006 | 11,657 | 2,785 | 87,448 |
| CEO discretionary fund | 41,368 | - | - | 41,368 |
| Client assistance | 235,679 | - | - | 235,679 |
| Communications | 59,942 | 3,798 | 7,429 | 71,169 |
| Depreciation | 92,408 | 7,834 | 1,861 | 102,103 |
| Direct donor benefit costs | - | - | 43,813 | 43,813 |
| Equipment lease and maintenance | 87,931 | 9,154 | 6,184 | 103,269 |
| Food and supplies | 77,921 | 1,501 | 358 | 79,780 |
| In-kind expenses | 118,754 | - | 67,426 | 186,180 |
| Insurance | 47,886 | 4,799 | 1,543 | 54,228 |
| Investment fees | - | - | 4,537 | 4,537 |
| Meetings and conferences | 10,028 | 2,406 | 594 | 13,028 |
| Miscellaneous expense | 5,526 | 522 | 7,854 | 13,902 |
| Office supplies, postage and printing | 8,472 | 1,272 | 29,121 | 38,865 |
| Professional dues, subscriptions | 3,774 | 847 | 666 | 5,287 |
| Professional services | 31,146 | 7,814 | 10,836 | 49,796 |
| Rent | 12,305 | 5 | 1 | 12,311 |
| Staff training | 21,084 | 3,642 | 1,953 | 26,679 |
| Staff travel | 18,523 | 1,281 | 1,749 | 21,553 |
| Utilities | 61,174 | 3,354 | 990 | 65,518 |
| Vehicle expense | 16,638 | 1,732 | 414 | 18,784 |
| Total functional expenses | 4,287,352 | 218,152 | 546,751 | 5,052,255 |
| Less direct donor benefit costs netted against revenue | - | - | (43,813) | (43,813) |
| Less investment fees netted against investment income | - | - | (4,537) | (4,537) |
| Less depreciation expense reported as other operating expense | (92,408) | (7,834) | (1,861) | (102,103) |
| Total expenses | $ 4,194,944 | $ 210,318 | $ 496,540 | $ 4,901,802 |

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017

| | 2018 | 2017 |
|---|---|---|
| Cash flows from operating activities: | | |
| Change in net assets | $ 44,070 | $ 450,450 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation | 106,883 | 102,103 |
| Unrealized (gains) on investments | (13,548) | (46,433) |
| Realized (gains) losses on sales of investments | (2,302) | 55 |
| Donated securities | (10,426) | (26,652) |
| Losses on disposal of assets | - | 1,842 |
| Change in allowance for uncollectible accounts | (3,883) | 3,619 |
| Change in discount to present value for pledges receivable | - | (46) |
| Change in value of beneficial interest in funds held by others | (15,398) | (27,755) |
| (Increase) decrease in operating assets: | | |
| Grant and contract receivables | (73,123) | 60,589 |
| Pledges and foundation grants receivable | 98,951 | (37,057) |
| Bequests receivable | 53,652 | 40,000 |
| Other receivables | (9,475) | 19,824 |
| Gift cards | (20,932) | - |
| Prepaid expenses and other assets | 15,707 | (7,269) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 26,756 | 25,385 |
| Accrued expenses and other liabilities | (24,248) | (11,886) |
| Increase (decrease) in custodial liabilities | (329) | 1,176 |
| Proceeds from sale of donated securities | 10,377 | 26,597 |
| Net cash provided by operating activities | 182,732 | 574,542 |
| Cash flows from investing activities: | | |
| Purchases of investments and reinvestment of dividends | (624,203) | (57,945) |
| Sales of investments | 119,480 | 24,471 |
| Purchases of property and equipment | (92,885) | (24,249) |
| Net cash (used in) investing activities | (597,608) | (57,723) |
| Change in cash and cash equivalents | (414,876) | 516,819 |
| Cash and cash equivalents, beginning of year | 1,981,015 | 1,464,196 |
| Cash and cash equivalents, end of year | $ 1,566,139 | $ 1,981,015 |

Supplemental cash flow information:

No cash paid for interest or income taxes in 2018 or 2017.

## NOTE 1 – Organization and purpose

Tucson Centers for Women and Children, Inc., dba Emerge! Center Against Domestic Abuse (Emerge!) is a nonprofit organization incorporated in the state of Arizona. The mission of Emerge! is to provide the opportunity to create, sustain and celebrate a life free from abuse and to provide services to anyone impacted by the experience of domestic abuse. Emerge! owns facilities in Tucson, Arizona and their funding is primarily from government grants and contributions from corporate and individual donors. Emerge!'s program includes the following services:

- Comprehensive Domestic Violence Services – Emerge! provides a full continuum of services for people impacted by domestic abuse, including:
  - A 24/7 crisis hotline
  - Safety planning
  - Emergency shelter
  - Case management
  - Lay legal services
  - Assistance in obtaining orders of protection
  - Individual and family support sessions
  - Holistic modalities for trauma recovery
  - Domestic abuse education
  - Transitional housing program
  - Assistance to re-establish a safe, permanent home

## NOTE 2 – Summary of significant accounting policies

*Financial statement presentation*

Emerge! is required under accounting principles generally accepted in the United States of America to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Additionally, Emerge! has chosen to differentiate, in its financial reporting, those revenues and expenditures that are acquired/incurred in the course of performing its normal business operations on an annual basis, and those which are supplemental in nature.

Specifically, Emerge! has chosen to distinguish between, and separately account for: 1) operating revenues and expenditures, 2) depreciation, and 3) non-operating revenues, gains, expenses and losses. These non-operating items are defined as changes in net assets result from events or activities not related directly to the operation of the agency's programs or to other activities that are typically budgeted annually.

Examples of non-operating revenues, gains, expenses and losses would include reinvested dividend income, realized and unrealized gains and losses from investment vehicles, as well as financial activity related to Emerge!'s CEO Strategic Discretionary Fund. This Fund has been created by the Board to allow for additional support and long-term resource planning related to strategic initiatives. Resources to support the Fund have been determined to come from large unanticipated bequests that exceed $25,000. In 2018 and 2017, the fund was used to cover costs associated with a community initiative to promote education about domestic violence and engage men in prevention within the community.

*Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – Summary of significant accounting policies, continued**

*Cash and cash equivalents*

Cash and cash equivalents include all cash balances and unrestricted highly liquid investments with a maturity at the date of purchase of three months or less. Emerge! maintains its cash in bank deposit accounts that, for short periods of time, may exceed federally insured limits. The uninsured balance at June 30, 2018 totaled $1,327,307.

*Investments*

Investments consist of publicly traded securities including mutual funds, all of which are carried at quoted market values determined at the date of the statements of financial position. Donated investments are immediately liquidated and are valued at the price received at date of sale.

*Contracts and pledges and foundation grants receivable*

Contracts receivable are stated at the amount that Emerge! expects to collect from various governmental entities on outstanding balances. Management believes that all such receivables are fully collectible, and accordingly has recorded no valuation allowance. Pledges and foundation grants receivable are stated an unpaid balances, less an allowance for doubtful accounts. Emerge! provides for losses on pledges receivable using the allowance method, which is calculated as a percentage of outstanding receivables, based on experience and other circumstances which may affect the ability of donors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is Emerge!'s policy to charge off uncollectible contracts and pledges and foundation grants receivable if and when management determines the receivable will not be collected.

*Property and equipment*

Property and equipment valued at $5,000 and with an estimated useful life in excess of one year is capitalized. Property and equipment are stated at cost except for donated assets which are recorded at fair market value at the date of the gift. Depreciation is calculated using the straight-line method.

*Beneficial interest in funds held by others*

Emerge! has a beneficial interest in an endowment fund held at the Community Foundation for Southern Arizona (CFSA). CFSA does not have variance power related to the endowment. The balance in this account was $333,483 and $318,085 at June 30, 2018 and 2017, respectively.

*Vacation pay*

Vacation pay is accrued as a liability when earned by the employees since the employees receive a vested interest in this benefit.

*Contributions*

Contributions that 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 on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**NOTE 2 – Summary of significant accounting policies, continued**

*Endowments*

Emerge!'s endowments consist of two permanently restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds (including funds designated by the Board of Directors to function as endowments) are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Emerge! has interpreted the State of Arizona's Management of Charitable Funds Act (MCFA) (the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Emerge! classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, Emerge! considers the following factors in making a determination to appropriate or accumulate endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the organization
(7) The investment policies of the organization.

*Functional allocation of expenses*

Emerge! allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by other reasonable methods.

*Advertising costs*

Advertising costs are expensed when incurred.

*Donated goods, facilities and services*

Donated goods and facilities are valued at fair market value. Donated services are recognized in the financial statements at fair market value if the following criteria are met:

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although Emerge! utilizes the services of many outside volunteers, the fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

**NOTE 2 – Summary of significant accounting policies, continued**

*Income tax status*

Emerge! is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Emerge! 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). Income from certain activities not directly related to Emerge!'s tax-exempt purpose, however, may be subject to taxation as unrelated business income.

*Reclassifications*

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**NOTE 3 – Fair value measurements and investments**

Fair value measurements are determined based on the assumptions—referred to as inputs—that market participants would use in pricing the asset. A fair value hierarchy distinguishes between market participant assumptions and Emerge!'s own assumptions about market participant assumptions. Observable inputs are assumptions based on market data obtained from independent sources; while unobservable inputs are Emerge!'s own assumptions about what market participants would assume based on the best information available in the circumstances.

*Level 1 inputs*. A quoted price in an active market for an identical asset or liability is considered to be the most reliable evidence of fair value. The fair value of Emerge!'s publicly traded securities are determined by reference to quoted prices in active markets for identical assets.

*Level 2 inputs*. These are observable inputs, either directly or indirectly, other than quoted prices included within Level 1. Emerge! does not utilize Level 2 inputs.

*Level 3 inputs*. These inputs are unobservable and are used to measure fair value only when observable inputs are not available. The fair value of Emerge!'s beneficial interest in funds held by others, held at the Community Foundation for Southern Arizona (CFSA), are considered Level 3, because Emerge! owns units of pooled funds held at CFSA and relies on CFSA to provide the value of those funds. The fair value of real property held for sale is valued at actual sales price subsequent to year end for one property, and at net book value, which is the lower of cost or market, for the other property. The fair value of pledges receivable is estimated using an interest rate which approximates the present value of future cash flows.

Level 3 assets measured at fair value on a nonrecurring basis at June 30, 2018 and 2017 consisted of pledges receivable valued at $390 and $95,458, respectively.

Fair values of assets measured on a recurring basis at June 30, 2018 consisted of the following:

| | Level 1 | Level 3 | Total |
|---|---|---|---|
| Investments in mutual funds: | | | |
| Domestic equity funds | $ 202,722 | $ - | $ 202,722 |
| International equity funds | 35,887 | - | 35,887 |
| Domestic bond funds | 653,731 | - | 653,731 |
| International bond funds | 145,213 | - | 145,213 |
| Real estate investment trusts | 24,674 | - | 24,674 |
| | 1,062,227 | - | 1,062,227 |
| Beneficial interest in funds held by others | - | 333,483 | 333,483 |
| | $ 1,062,227 | $ 333,483 | $ 1,395,710 |

**NOTE 3 – Fair value measurements and investments, continued**

Fair values of assets measured on a recurring basis at June 30, 2017 consisted of the following:

| | Level 1 | Level 3 | Total |
|---|---|---|---|
| Investments in mutual funds: | | | |
| Domestic equity funds | $ 286,182 | $ - | $ 286,182 |
| International equity funds | 87,758 | - | 87,758 |
| Domestic bond funds | 127,235 | - | 127,235 |
| International bond funds | 20,848 | - | 20,848 |
| Real estate investment trusts | 19,582 | - | 19,582 |
| | 541,605 | - | 541,605 |
| Beneficial interest in funds held by others | - | 318,085 | 318,085 |
| | $ 541,605 | $ 318,085 | $ 859,690 |

Activities in the assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were as follows for the years ended June 30, 2018 and 2017:

| | Beneficial interest | |
|---|---|---|
| | 2018 | 2017 |
| Beginning balance | $ 318,085 | $ 290,330 |
| Change in value | 15,398 | 27,755 |
| Ending balance | $ 333,483 | $ 318,085 |

Investment income consisted of the following for the years ended June 30, 2018 and 2017:

| | 2018 | 2017 |
|---|---|---|
| Interest/dividends | $ 14,470 | $ 9,378 |
| Realized gains (losses) on sale of investments | 2,302 | (55) |
| Unrealized gains on investments | 13,548 | 46,433 |
| Change in value of beneficial interest in funds held by others | 15,398 | 27,755 |
| Investment fees | (6,126) | (4,537) |
| | $ 39,592 | $ 78,974 |

**NOTE 4 – Pledges and foundation grants receivable**

Pledges and foundation grants receivable at June 30, 2018 and 2017 were as follows:

| | 2018 | 2017 |
|---|---|---|
| Pledges (unconditional promises to give): | | |
| Receivable in less than one year | $ 390 | $ 99,342 |
| Receivable in one to five years | - | - |
| | 390 | 99,342 |
| Less allowance for uncollectible accounts | - | (3,884) |
| | $ 390 | $ 95,458 |

**NOTE 5 – Retirement plan**

Emerge! sponsors a 401(k) defined benefit, profit-sharing plan that covers all eligible employees. Employees become eligible to participate after three months of employment and are eligible to receive the employer match after one year of employment. Emerge! matches up to the first 50% of the employee's contribution, up to 4% of the employee's salary for the plan year. Employees become fully vested in employer contributions after three years of service. Employer contributions to the plan for the years ended June 30, 2018 and 2017 were $47,142 and $36,273, respectively.

**NOTE 6 – Property and equipment**

Property and equipment at June 30, 2018 and 2017 consisted of the following:

| | 2018 | 2017 |
|---|---|---|
| Land | $ 444,109 | $ 444,109 |
| Buildings and improvements | 2,695,747 | 2,667,810 |
| Furniture and equipment | 232,086 | 184,706 |
| Vehicles | 140,116 | 145,685 |
| | 3,512,058 | 3,442,310 |
| Less accumulated depreciation | (1,668,634) | (1,571,792) |
| Construction in process | 13,096 | - |
| | $ 1,856,520 | $ 1,870,518 |

During the year ended June 30, 2017, Emerge! capitalized improvements to their shelter property totaling $7,699, paid for using Federal grant funding. No assets were purchased with Federal funds during the year ended June 30, 2018.

**NOTE 7 – Board-designated net assets**

Board-designated net assets consisted of the CEO's strategic discretionary fund at June 30, 2018 and 2017 totaling $901,863 and $881,707, respectively.

**NOTE 8 – Temporarily restricted net assets**

Temporarily restricted net asset activity for the year ended June 30, 2018 was as follows:

| | Beginning balance | Contributions/ change in allowance | Investment income | Releases | Ending balance |
|---|---|---|---|---|---|
| Housing stabilization | $ 10,855 | $ 25,000 | $ - | $ (31,606) | $ 4,249 |
| Emergency services | 81,522 | 237,500 | - | (282,404) | 36,618 |
| Children's program | 6,796 | 16,421 | - | (844) | 22,373 |
| Men's education | 4,845 | 31,306 | - | (25,835) | 10,316 |
| Other programs | 15,705 | 108,775 | - | (103,366) | 21,114 |
| APRAIS-related programming | - | 250,000 | - | (125,611) | 124,389 |
| Future years' operations | 95,458 | 4,663 | - | (99,731) | 390 |
| Accumulated endowment earnings - operations | 114,603 | - | 15,677 | - | 130,280 |
| | $ 329,784 | $ 673,665 | $ 15,677 | $ (669,397) | $ 349,729 |

**NOTE 8 – Temporarily restricted net assets, continued**

Temporarily restricted net asset activity for the year ended June 30, 2017 was as follows:

| | Beginning balance | Contributions/ change in allowance | Investment income | Releases | Transfer per donor stipulation | Ending balance |
|---|---|---|---|---|---|---|
| Housing stabilization | $ 10,000 | $ 62,300 | $ - | $ (61,445) | $ - | $ 10,855 |
| Emergency services | 74,257 | 257,096 | - | (249,831) | - | 81,522 |
| Children's program | 9,000 | 16,500 | - | (18,704) | - | 6,796 |
| Men's education | 4,601 | 41,905 | - | (41,661) | - | 4,845 |
| Other programs | 72,674 | 122,950 | - | (171,484) | (8,435) | 15,705 |
| Future years' operations | 61,974 | 243,472 | - | (209,988) | - | 95,458 |
| Accumulated endowment earnings - operations | 86,156 | - | 28,447 | - | - | 114,603 |
| | $ 318,662 | $ 744,223 | $ 28,447 | $ (753,113) | $ (8,435) | $ 329,784 |

**NOTE 9 – Permanently restricted net assets**

Permanently restricted net asset activity was as follows for the years ended June 30, 2018 and 2017:

| | Balance 6/30/16 | Additions | Balance 6/30/17 | Additions | Balance 6/30/18 |
|---|---|---|---|---|---|
| TCWC endowment | $ 3,600 | $ - | $ 3,600 | $ - | $ 3,600 |
| Brewster endowment | 204,946 | - | 204,946 | - | 204,946 |
| | $ 208,546 | $ - | $ 208,546 | $ - | $ 208,546 |

Earnings from endowments are temporarily restricted until appropriated for operations (see Note 8).

**NOTE 10 – Endowments**

*Funds with deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Organization to retain as a fund of perpetual duration. There were no deficiencies of this nature to be reported as of June 30, 2018 or 2017.

*Return objectives and risk parameters*

Emerge! has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s). Under this policy, the endowment assets shall consist of cash, equity and bond instruments in an allocation recommended by the Finance Committee and approved by the Board of Directors. The asset allocation will meet the needs of the agency to minimize risk while still maximizing potential growth.

*Investment strategies*

To satisfy its long-term rate-of-return objectives, Emerge! relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The primary purpose of Emerge! is to provide additional funding for programs and operations while increasing the investment base.

**NOTE 10 – Endowments, continued**

*Spending policy*

Emerge! has an endowment fund held at the Community Foundation for Southern Arizona (CFSA). Emerge! has adopted the spending policy of CFSA for this fund. Accumulated earnings on this endowment are released from temporarily restricted net assets when distributed by CFSA.

For other endowments, accumulated earnings are assessed by the Finance Committee at the end of each fiscal year. A determination is made whether or not the earnings shall be reinvested or appropriated to reduce debt, supplement cash flows, or for special projects.

See Note 8 for endowment related activities in temporarily restricted net assets, and Note 9 for endowment related activities in permanently restricted net assets.

*Endowment fund net assets*

Net assets in the endowment fund consisted of the following at June 30, 2018:

| | Temporarily restricted | Permanently restricted | Total |
|---|---|---|---|
| Beginning balance | $ 114,603 | $ 208,546 | $ 323,149 |
| Interest | 279 | - | 279 |
| Change in value of beneficial interest | 15,398 | - | 15,398 |
| | $ 130,280 | $ 208,546 | $ 338,826 |

Net assets in the endowment fund consisted of the following at June 30, 2017:

| | Temporarily restricted | Permanently restricted | Total |
|---|---|---|---|
| Beginning balance | $ 86,156 | $ 208,546 | $ 294,702 |
| Interest | 692 | - | 692 |
| Change in value of beneficial interest | 27,755 | - | 27,755 |
| | $ 114,603 | $ 208,546 | $ 323,149 |

**NOTE 11 – In-kind donations**

In-kind donations were as follows for the years ended June 30, 2018 and 2017:

| | 2018 | 2017 |
|---|---|---|
| Functional expenses: | | |
| Advertising | $ 84,000 | $ 10,020 |
| Food/supplies | 173,336 | 172,960 |
| Professional services | 3,695 | 3,200 |
| In-kind expenses | 261,031 | 186,180 |
| Donated gift cards recorded as assets | 4,437 | - |
| In-kind revenues | $ 265,468 | $ 186,180 |

**NOTE 12 – Lease commitments**

Emerge! leases some of its facilities and equipment under non-cancelable operating leases. The facilities lease expires in August 2019 and the equipment leases have varying expiration dates through August 2019. Total rental expense was $25,832 for each of the years ended June 30, 2018 and 2017, respectively. Future minimum rental payments under the lease agreements are as follows:

| | | |
|---|---|---|
| Year ending June 30, 2019 | $ | 19,656 |
| 2020 | | 2,802 |
| | $ | 22,458 |

**NOTE 13 – Line of credit**

Emerge! has a $200,000 revolving bank line of credit. Advances on the credit line carry a variable interest rate of index plus 2.50% (4.23% and 3.01% at June 30, 2018 and 2017, respectively) with no maturity date. The line of credit is collateralized by certain cash and cash equivalents. There was no outstanding balance on the line of credit at either June 30, 2018 or 2017.

**NOTE 14 – Employee gift card use**

During the year ended June 30, 2018, an employee used a company Gift Card for personal use that was unauthorized. This was discovered as a result of Emerge's gift card controls and monitoring. This employee was promptly terminated.

**NOTE 15 – Subsequent events**

Subsequent events have been evaluated through November 20, 2018, which is the date the financial statements were available to be issued.

# SINGLE AUDIT REPORTS AND SCHEDULES

**INDEPENDENT AUDITORS' 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***

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

We have audited, in accordance with the 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, the financial statements of Tucson Centers for Women and Children, Inc. dba Emerge! Center Against Domestic Abuse (an Arizona nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 20, 2018.

***Internal control over financial reporting***

In planning and performing our audit of the financial statements, we considered Tucson Centers for Women and Children, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tucson Centers for Women and Children, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tucson Centers for Women and Children, Inc.'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a 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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.



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***Compliance and other matters***

As part of obtaining reasonable assurance about whether Tucson Centers for Women and Children, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this report***

The purpose of this report is solely to describe the scope of our 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.

HBL CPAs, P.C

**HBL CPAs, P.C**.

November 20, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

***Report on compliance for each major federal program***

We have audited Tucson Centers for Women and Children, Inc. dba Emerge! Center Against Domestic Abuse's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tucson Centers for Women and Children, Inc.'s major federal programs for the year ended June 30, 2018. Tucson Centers for Women and Children, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' responsibility***

Our responsibility is to express an opinion on compliance for each of Tucson Centers for Women and Children, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit requires examining, on a test basis, evidence about Tucson Centers for Women and Children, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tucson Centers for Women and Children, Inc.'s compliance.

***Opinion on each major federal program***

In our opinion, Tucson Centers for Women and Children, Inc. 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 June 30, 2018.



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

***Report on internal control over compliance***

Management of Tucson Centers for Women and Children, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tucson Centers for Women and Children, Inc.'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, we do not express an opinion on the effectiveness of Tucson Centers for Women and Children, Inc.'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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we 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 our 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.

HBL CPAs, P.C

**HBL CPAs, P.C.**

November 20, 2018

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

## SECTION I - SUMMARY OF AUDITORS' RESULTS

### Financial statements

| | |
|---|---|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified? | None reported |
| Noncompliance material to financial statements noted? | No |

### Federal awards

| | |
|---|---|
| Internal control over major federal programs: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified? | None reported |
| Type of auditors' report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | No |

Identification of major programs:

14.218 Community Development Block Grants/ Entitlement Grants

16.575 Crime Victim Assistance

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $750,000 |
| Auditee qualified as a low risk auditee? | Yes |

## SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

None

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

# INFORMATION PREPARED BY AUDITEE

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
SCHEDULE OF EXPENDITURES OF FEDERAL AND OTHER GOVERNMENTAL AWARDS
YEAR ENDED JUNE 30, 2018

| Federal Grantor/ Pass-through Grantor/ Program or Cluster Title | Federal CFDA number | Grantor's identifying number | Passed through to subrecipients | Total expenditures Federal | Total expenditures Nonfederal |
|---|---|---|---|---|---|
| Department of Housing and Urban Development: | | | | | |
| *Passed through City of Tucson:* | | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | 18491 | $ - | $ 150,000 | $ - |
| Community Development Block Grants/Entitlement Grants | 14.218 | 18492 | - | 62,034 | - |
| Community Development Block Grants/Entitlement Grants | 14.218 | 18493 | - | 60,000 | - |
| *Total CFDA No. 14.218* | | | - | 272,034 | - |
| Continuum of Care Program | 14.267 | 18423 | - | 27,219 | - |
| Continuum of Care Program | 14.267 | 18572 | - | 30,397 | - |
| *Total CFDA No. 14.267* | | | - | 57,616 | - |
| Emergency Solutions Grant Program | 14.231 | 18431 | - | 50,000 | - |
| Emergency Solutions Grant Program | 14.231 | 18435 | - | 50,000 | - |
| *Passed through Pima County Community Development:* | | | | | |
| Emergency Solutions Grant Program | 14.231 | CT-CD-17*207 | - | 7,996 | - |
| Emergency Solutions Grant Program | 14.231 | CT-CD-18*282 | - | 42,849 | - |
| *Total CFDA No. 14.231* | | | - | 150,845 | - |
| Department of Justice: | | | | | |
| *Direct:* | | | | | |
| Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking or Sexual Assault | 16.736 | 2015-WH-AX-0036 | - | 97,704 | - |
| Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking or Sexual Assault | 16.736 | 2017-CY-AX-0007 | - | 2,369 | - |
| *Total CFDA No. 16.736* | | | - | 100,073 | - |
| *Passed through Pima County Attorney's Office -* | | | | | |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program | 16.590 | CT-PCA-15-279 | - | 722 | - |
| *Total CFDA No. 16.590* | | | - | 722 | - |

The accompanying notes are an integral part of this schedule.

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
SCHEDULE OF EXPENDITURES OF FEDERAL AND OTHER GOVERNMENTAL AWARDS, CONTINUED
YEAR ENDED JUNE 30, 2018

| **Federal Grantor/ Pass-through Grantor/ Program or Cluster Title** | **Federal CFDA number** | **Grantor's identifying number** | **Passed through to subrecipients** | **Total expenditures Federal** | **Total expenditures Nonfederal** |
|---|---|---|---|---|---|
| Department of Justice, continued: | | | | | |
| *Passed through Arizona Department of Public Safety:* | | | | | |
| | | 2015-VA-GX-0032/DPS: | | | |
| Crime Victim Assistance | 16.575 | 2015-468 | - | 7,356 | - |
| Crime Victim Assistance | 16.575 | 2015-469 | - | 29,516 | - |
| Crime Victim Assistance | 16.575 | 2015-470 | - | 30,921 | - |
| Crime Victim Assistance | 16.575 | 2015-471 | - | 40,260 | - |
| Crime Victim Assistance | 16.575 | 2015-472 | - | 90,246 | - |
| | | 2016-VA-GX-0046/DPS: | | | |
| Crime Victim Assistance | 16.575 | 2018-344 | - | 376,158 | - |
| Crime Victim Assistance | 16.575 | 2018-345 | - | 184,350 | - |
| Crime Victim Assistance | 16.575 | 2018-346 | - | 125,866 | - |
| *Total CFDA No. 16.575* | | | - | 884,673 | - |
| *Passed through Tucson City Court -* | | | | | |
| Justice Systems Response to Families | 16.021 | n/a | - | 65,387 | - |
| *Total CFDA No. 16.021* | | | - | 65,387 | - |
| *Passed through Tucson City Court, Superior Court Administration -* | | | | | |
| Violence Against Women Formula Grants | 16.588 | ST-WSG-15-010115-05Y3 | - | 24,787 | - |
| *Total CFDA No. 16.588* | | | - | 24,787 | - |
| Department of Health and Human Services: | | | | | |
| *Passed through Arizona Department of Economic Security:* | | | | | |
| Social Services Block Grant | 93.667 | ADES-17-178643 | - | 102,162 | 884,670 |
| *Total CFDA No. 93.667* | | | - | 102,162 | 884,670 |
| Temporary Assistance for Needy Families | 93.558 | ADES-17-178643 | - | 690,415 | - |
| *Passed through Arizona Foundation for Legal Services and Education:* | | | | | |
| Temporary Assistance for Needy Families | 93.558 | ADES13-049391 | - | 29,486 | - |
| *Total CFDA No. 93.558* | | | - | 719,901 | - |

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
SCHEDULE OF EXPENDITURES OF FEDERAL AND OTHER GOVERNMENTAL AWARDS, CONTINUED
YEAR ENDED JUNE 30, 2018

| Federal Grantor/ Pass-through Grantor/ Program or Cluster Title | Federal CFDA number | Grantor's identifying number | Passed through to subrecipients | Total expenditures Federal | Total expenditures Nonfederal |
|---|---|---|---|---|---|
| Department of Homeland Security: | | | | | |
| *Passed through Pima County CDNC -* | | | | | |
| Emergency Food and Shelter National Board Program | 97.024 | Phase 34 - Em Shelter | - | 20,318 | - |
| | | | - | 20,318 | - |
| Other governmental awards: | | | | | |
| Arizona Criminal Justice Commission | N/A | VA-17-032 | - | - | 11,524 |
| Arizona Department of Health Services | N/A | ADHS17-185590:1 | - | - | 99,364 |
| *Total other governmental awards* | | | - | - | 110,888 |
| TOTAL FEDERAL AND OTHER GOVERNMENTAL AWARDS | | | $ - | $ 2,398,518 | $ 995,558 |

**NOTE 1 - Basis of presentation**

The accompanying schedule of expenditures of federal and other governmental awards (the "Schedule") includes the federal award activity of Tucson Centers for Women and Children, Inc. under programs of the federal government for the year ended June 30, 2018. 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 Tucson Centers for Women and Children, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Tucson Centers for Women and Children, Inc.

**NOTE 2 - Summary of significant accounting policies**

Expenditures reported 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. Tucson Centers for Women and Children, Inc. has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**TUCSON CENTERS FOR WOMEN AND CHILDREN, INC.**
**DBA EMERGE! CENTER AGAINST DOMESTIC ABUSE**
SUMMARY OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2018

## FINDINGS AND QUESTIONED COSTS

None