WOMEN'S RESOURCE CENTER
IN DURANGO

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

WOMEN'S RESOURCE CENTER IN DURANGO

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

CONTENTS

Taylor, Roth and Company, PLLC
Certified Public Accountants
working exclusively with nonprofit organizations

January 28, 2011

Independent Auditors' Report

Board of Directors
Women's Resource Center in Durango
Durango, Colorado

We have audited the accompanying statement of financial position of **Women's Resource Center in Durango** (a Colorado nonprofit corporation) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Women's Resource Center in Durango Our responsibility is to express an opinion on these financial statements based on our audit. Information for the year ended December 31, 2009, is presented for comparative purposes only and was extracted from the financial statements and presented by net asset class for that year, on which an unqualified opinion dated January 22, 2010 was expressed.

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 Women's Resource Center in Durango 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.

Taylor Roth & Company, PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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WOMEN'S RESOURCE CENTER IN DURANGO

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 37,944	$ 38,899
Accounts receivable (Note 3)	11,309	12,420
Micro-loans receivable (Note 4)	10,931	13,500
Prepaid expenses	2,101	1,566
Deposits	1,800	1,800
Property and equipment (Note 5)	320,815	330,204
Investments (Note 6)	162,827	181,254
Beneficial interest in assets held by others (Note 7)	25,000	23,078
Total assets	$ 572,727	$ 602,721
Liabilities and net assets		
Liabilities		
Accounts payable	$ 951	$ 564
Deferred revenue (Note 8)	23,086	11,673
Deferred revenue micro loan (Note 8)	-	42,000
Payroll liabilities	802	8,310
Total liabilities	24,839	62,547
Net assets		
Unrestricted		
Operating	35,664	(15,618)
Board designated (Note 9)	178,881	213,060
Net investment in fixed assets	320,815	330,204
Permanently restricted net assets (Note 10)	12,528	12,528
Total net assets	547,888	540,174
Total liabilities and net assets	$ 572,727	$ 602,721

The accompanying notes are an integral part of these financial statements

WOMEN'S RESOURCE CENTER IN DURANGO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	2010				2009
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Revenue and other support					
Fee for service	$164,845	$ -	$ -	$164,845	$168,839
Fund-raising	84,067	-	-	84,067	56,195
Less: Direct fund-raising expenses	(30,066)	-	-	(30,066)	(19,867)
Micro-loans grant	42,025	-	-	42,025	-
Grants	21,874	14,042	-	35,916	30,466
Dues and membership	27,560	-	-	27,560	23,624
Donations	16,336	8,088	-	24,424	32,930
Investment income(loss)	13,505	-	-	13,505	19,790
Program income	5,140	-	-	5,140	1,540
Operating interest	914	-	-	914	3,048
Change in assets held by others	836	-	-	836	3,768
All other	302	-	-	302	356
In Kind (Note 12)	-	-	-	-	1,400
Net assets released from restrictions (Note 11)	22,130	(22,130)	-	-	-
Total revenue and other support	369,468	-	-	369,468	322,089
Expense					
Program services	260,373	-	-	260,373	240,272
Supporting services					
Administration	49,165	-	-	49,165	59,208
Fund-raising	52,216	-	-	52,216	42,947
Total expense	361,754	-	-	361,754	342,427
Change in net assets	7,714	-	-	7,714	(20,338)
Net assets, beginning of year	527,646	-	12,528	540,174	560,512
Net assets, end of year	$535,360	$ -	$ 12,528	$547,888	$540,174

The accompanying notes are an integral part of these financial statements

WOMEN'S RESOURCE CENTER IN DURANGO

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	2010				2009
		Supporting Services			
	Program	Management and General	Fund-raising	Total	Total
Salaries	$ 134,806	$ 28,168	$ 38,229	$ 201,203	$ 207,166
Payroll taxes and benefits	28,852	6,029	8,182	43,063	32,030
Emergency assistance	18,641	-	-	18,641	7,662
Program	12,369	-	-	12,369	11,105
Office supplies	8,747	1,640	547	10,934	9,749
Professional services	3,884	6,474	-	10,358	11,525
Bad debt	8,068	-	-	8,068	6,721
Rent	7,824	-	-	7,824	7,815
Telephone	5,736	1,075	359	7,170	6,351
Travel	4,937	184	131	5,252	3,545
Insurance	3,367	703	955	5,025	5,278
Utilities	2,474	517	702	3,693	2,956
Advertising	2,121	443	601	3,165	1,367
Education and training	2,930	187	-	3,117	7,664
Dues and subscriptions	1,502	314	426	2,242	1,583
Repair and maintenance	1,668	445	111	2,224	2,423
Postage	1,229	257	348	1,834	2,183
Other	4,176	851	1,156	6,183	5,938
	253,331	47,287	51,747	352,365	333,061
Depreciation	7,042	1,878	469	9,389	9,366
Total	$ 260,373	$ 49,165	$ 52,216	$ 361,754	$ 342,427

The accompanying notes are an integral part of these financial statements

WOMEN'S RESOURCE CENTER IN DURANGO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	2010	2009
Cash flows from operating activities		
Change in net assets	$ 7,714	$ (20,338)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	9,389	9,366
Donated equipment	-	(1,400)
Unrealized (gains)losses on investments	(4,628)	(13,714)
(Increase)decrease in assets held by others	(1,922)	(3,231)
Changes in operating assets and liabilities		
(Increase)decrease in accounts receivable	1,111	(12,420)
(Increase)decrease in prepaid expenses	(535)	179
(Increase)decrease in micro-loans receivable	2,569	18,037
(Decrease)increase in accounts payable	387	(4,865)
(Decrease)increase in payroll accruals	(7,508)	4,933
(Decrease)increase in micro loan payable	(42,000)	-
(Decrease)increase in deferred revenue	11,413	5,834
Net cash provided(used) by operating activities	(24,010)	(17,619)
Cash flows from investing activities		
(Purchase) sale of investments	23,055	(12,019)
Net increase(decrease) in cash and cash equivalents	(955)	(29,638)
Cash and cash equivalents, beginning of year	38,899	68,537
Cash and cash equivalents, end of year	$ 37,944	$ 38,899

The accompanying notes are an integral part of these financial statements

WOMEN'S RESOURCE CENTER IN DURANGO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - NATURE OF ACTIVITIES

The Women's Resource Center in Durango (the Organization) is a nonprofit 501 (c) (3) corporation and was formed in 1987 to be an advocate for the personal empowerment and economic self-sufficiency of women. The Center is funded by a fee for service arrangement with La Plata County and The Colorado Department of Human Development, fund raising events, grants from private foundations and service clubs, membership donations and dues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

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.

2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Restricted and unrestricted revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

4. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

5. Receivables

The Organization uses the direct write off method for contracts receivable and grants receivable. At year-end, receivables are all considered collectable and no allowance for doubtful accounts is shown.

6. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities, as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

7. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for furniture and equipment in excess of $500. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. Income Taxes

The Organization has applied for an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

10. Functional Reporting of Expenses

For the year ended December 31, 2010, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

11. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

12. Subsequent Events

Management has evaluated subsequent events through January 28, 2011 the date the financial statements were available to be issued.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consist mostly of government fee for service contracts. Management believes these are 100% collectable; accordingly there is no provision for doubtful accounts.

NOTE 4 - MICRO-LOANS RECEIVABLE

Micro-loans receivable consists of loans made to women in business:

Description	Amount
Micro-loans receivable	$ 12,431
Allowance for doubtful accounts	(1,500)
Net micro-loans receivable	$ 10,931

$8,068 in bad debt was written off in the current year.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of:

Description	Amount
Condo office unit	$ 355,263
Equipment and fixtures	16,450
Total	371,713
Less: accumulated depreciation	(50,898)
Net property and equipment	$ 320,815

Depreciation expense for the year was $9,389.

NOTE 6 - INVESTMENTS

Investments are held with Wells Fargo Advisors, valued at fair market value, and at year end consist of the following:

Description	Cost Basis	Current Value	Unrealized Loss
Cash held in investment accounts	$ 46,093	$ 46,093	$ 0
Mutual funds	123,712	116,734	(6,978)
Total	$ 169,805	$ 162,827	$ (6,978)

Investment income for the year is summarized as follows:

Description	Amount
Interest and dividends	$ 8,219
Unrealized gain	4,628
Total investment income	$ 12,847

Additionally, the Organization earned interest income of $658 on cash balances and micro-lending operations.

NOTE 7 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Women's Resource Center in Durango has invested funds with the Durango Community Foundation a 501 (c) (3) community foundation. The Foundation pools money of area not for profits and acts as a fund manager for the funds. The Women's Resource center is the beneficiary but variance power rests with the Community Foundation

Changes in the assets held with the Durango Community Foundation for the year are as follows:

Description	Amount
Balance, beginning of year	$ 23,078
Interest	836
Gains(losses)	1,086
Total investment return	1,922
Balance, end of year	$25,000

NOTE 8 - DEFERRED REVENUE

At year-end, deferred revenue consisted of the following agreements:

Description	Amount
Families in crisis	$ 23,086

NOTE 9 - BOARD DESIGNATED NET ASSETS

The Board has designated amounts as follows:

Description	Amount
Three months operating reserve	$ 31,000
Future capital projects	50,000
Future operating needs	41,000
Board designated endowment	21,060
Future endowment deposit	20,000
Micro loan program	15,821
Total board designated reserve	$ 178,881

NOTE 10 - PERMANENTLY RESTRICTED NET ASSETS

Funds contributed to an endowment in 2007 are permanently restricted and not available for operations. The balance in permanently restricted net assets is $12,528 at year-end.

NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, expenditures were made satisfying donor restrictions as follows:

Description	Amount
Women's advocacy program	$ 14,042
Families in crisis	8,088
Total	$ 22,130

NOTE 12 - IN KIND DONATIONS

Many organizations and individuals give generously of their time to the Women's Resource Center in Durango. During the year, 252 volunteers donated over 2,530 hours valued at $40,000 to the Organization. These services did not require professional level specialized skills and therefore no amounts were included in these financial statements.

NOTE 13 - CONCENTRATION OF RISK

La Plata County and the Colorado Department of Human Services supply 58% of the revenue of Durango Women's Resource Center. The Organization is dependent on this funding to continue delivering services at the current level.

Taylor, Roth and Company, PLLC
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January 28, 2011

Board of Directors
Women's Resource Center in Durango
Durango, Colorado

In planning and performing our audit of the financial statements of Women's Resource Center in Durango as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Women's Resource Center in Durango internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entities financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider a material weakness.

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. We consider the following deficiencies in Women's Resource Center in Durango's internal control to be significant deficiencies:

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CURRENT YEAR COMENTS

Accounting Policies and Procedures

You have accounting policies and procedures, but they are not current and not specific. Consistency in the recording of financial activity is dependent on the presence of the current personnel. As protection for the Organization in the event of an unexpected change in staffing, and as general guidance for consistency in accounting and reporting, we recommend you document general guiding principles and specific tasks required in an updated accounting policies and procedures manual. The manual, once prepared, should be updated and corrected on a continuous basis so a current and accurate record is always available as the accounting system evolves.

One of the issues you may wish to address is separation of function.

Your current system has the executive director performing the following tasks, She;

- approves invoices
- signs checks
- has access to QuickBooks
- approves payroll
- picks up the mail
- makes deposits
- Is the direct supervisor of the bookkeeper
- carries and uses a debit card
- receives and opens the monthly bank statement

Last year your bank quit returning copies of checks with the bank statement. Reviewing the canceled checks from the bank is no longer a control.

A debit card is used for many transactions; a credit card may provide a higher level of security.

We recommend you update your policies and procedures. The updated policies and procedures might include;

- Have the bank statement mailed directly to a board member. Have the board member go online and review all checks written. The board member should initial the bank statement and include a statement that the electronic checks and debit card transactions have been reviewed.
- Bring all back up invoices for checks and debit card transactions to the board meeting and have a board member initial approval of each receipt or invoice.
- Adjusting journal entries should be reviewed and initialed by a board member.
- Have someone other than the executive director pick up the mail. Have 2 people open the mail together and one person (who is not making the deposit) log the checks. The log should go to your bookkeeper to review when she does the bank reconciliation.

Other items not considered significant deficiencies:

Conflict of Interest Policy

We recommend that you adopt and communicate to employees and board members a specific policy on conflict of interest. Many organizations have such policies in their by-laws and/or in their employee handbooks. It is important for nonprofit organizations to avoid even the appearance of a conflict of interest.

Whistle Blower Protection and Policy

Sarbanes-Oxley grants protection to employees expressing concern or disclosing information regarding internal fraud. Under Sarbanes - Oxley, no employee should lose their position by providing information with regard to unlawful acts. All future employees should be aware of your policy, which should include directions for the receipt and processing of concerns.

Micro Loan Document

We noted that your loan documents with clients do not require them to personally guarantee loans.

We recommend you consider having clients who borrow monies personally guarantee the debt.

Organizational Policies

We noted you do not have a document retention policy or a gift acceptance policy.

We recommend you consider a document retention policy and a gift acceptance policy.

PRIOR YEAR COMMENTS

Background Checks

When you hire, you check references, but that only provides assurance about what the job candidate wants you to know. Background checks are part of an organization's efforts to avoid putting an inappropriate person in a position of responsibility. Your liability insurance carrier can advise you on the levels of background checks available to you. We recommend you establish a policy requiring background checks on all new hires, as well as on key volunteers that represent your Organization to the public at large.

Current Status: This year no written policy has been established, management is considering adopting this policy.

Board Designations

Money designated by the board for a specific purpose is referred to as board designated funds. Donors are the only people who can permanently restrict funds. In you chart of accounts you refer to funds designated by the board as permanently restricted. We recommend that you classify funds designated by the board as "Board designated".

Current status: This year additional funds have been put in an operating reserve but the board has not designated an amount and what the funds are designated for.

Employee Fidelity Bonding

Employee fidelity bonding provides protection for Organizations in the event of dishonest acts by employees. We recommend you consider obtaining bonding on employees who handle cash and checks.

Current status: This year management is investigating the cost of bonding employees.

Cash Controls at Fund Raising Events

Fundraising events are not reconciled with any outside verification of income. One individual is taking all the funds and the funds are deposited at a later date. We recommend reconciling income with some type of outside verification like using pre-numbered tickets and comparing ticket sales with revenue. We also recommend having 2 people at every cash collection point and have the 2 people count and sign a document showing the total cash to be deposited. This sign off should be compared to the actual deposit by a person doing the deposit.

Current status: This year controls have improved having 2 people count the cash. The signed cash collection could be directly traced to deposits.

Capitalization Limit

Your capitalization limit establishes the threshold for capitalizing and depreciating purchases of fixed assets. You have been using a $500 capitalization limit for fixed assets, which is a reasonable amount. You may want to consider formalizing this policy with a board resolution.

Current status: This year the board has yet to pass a resolution.

Investment account not covered by FDIC

Investment accounts may not be covered by FDIC insurance and pose a higher risk than accounts covered by FDIC insurance. We recommend the board consider holding funds in accounts that are insured by the FDIC.

Current status: The board has decided to remain in investments not covered by FDIC insurance.

We wish to thank the management and staff for their support during our audit.

This report is intended solely for the information and use of the Board of Directors, management and others within the Organization.

Taylor, Roth & Company, PLLC

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Denver, Colorado

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January 28, 2011

Board of Directors
Women's Resource Center in Durango
Durango, Colorado

We have audited the financial statements of Women's Resource Center in Durango, Inc. for the year ended December 31, 2010, and have issued our report thereon dated January 28, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 29, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by are described in Note 2 to the Women's Resource Center in Durango, Inc. financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached Adjusting Journal Entries include misstatements detected as a result of audit procedures. These journal entries are reflected in your audited financial statements, and management has agreed to post them to your general ledger.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 28, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

This information is intended solely for the use of the Board of Directors and management of Women's Resource Center in Durango, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Taylor Roth & Company, PLLC

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Certified Public Accountants
Denver, Colorado