



**7TH JUDICIAL DISTRICT CHILD ADVOCACY CENTER
DBA THE DOLPHIN HOUSE**

**FINANCIAL STATEMENTS AND
ACCOUNTANTS' REVIEW REPORT**

December 31, 2013

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7th Judicial District Child Advocacy Center dba The Dolphin House

STATEMENT OF FINANCIAL POSITION

December 31, 2013

ASSETS

| | | |
|-------------------------------|----|----------------|
| Cash | \$ | 68,039 |
| Grants receivable | | 8,892 |
| Pledges receivable | | 1,500 |
| Property, plant and equipment | | <u>376,271</u> |

TOTAL ASSETS \$ 454,702

LIABILITIES

| | | |
|------------------|----|-------|
| Accounts payable | \$ | 4,936 |
|------------------|----|-------|

TOTAL LIABILITIES 4,936

NET ASSETS

| | | |
|--------------|--|----------------|
| Unrestricted | | <u>449,766</u> |
|--------------|--|----------------|

TOTAL NET ASSETS 449,766

TOTAL LIABILITIES AND NET ASSETS \$ 454,702

See Accountants' Review Report.

The accompanying notes are an integral part of this financial statement.

7th Judicial District Child Advocacy Center dba The Dolphin House

STATEMENT OF ACTIVITIES

Year ended December 31, 2013

SUPPORT

| | | |
|--|----|----------------|
| Contributions | \$ | 53,112 |
| Special events (net of expenses of \$56,004) | | 57,291 |
| Program service fees | | 550 |
| Interest income | | 34 |
| Grants and contracts | | 102,588 |
| | | <u>213,575</u> |

EXPENSES

| | | |
|------------------------|--|----------------|
| Program services | | 116,796 |
| Supporting services | | |
| Management and general | | 52,154 |
| Fundraising | | 12,271 |
| | | <u>64,425</u> |
| | | <u>181,221</u> |

CHANGE IN NET ASSETS 32,354

Net assets at beginning of year 417,412

Net assets at end of year \$ 449,766

See Accountants' Review Report.

The accompanying notes are an integral part of this financial statement.

7th Judicial District Child Advocacy Center dba The Dolphin House

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2013

| | Program | Supporting Services | | Total |
|-------------------------|-------------------|---------------------|------------------|-------------------|
| | Services | Management and | | |
| | Center | General | Fundraising | |
| Salaries | \$ 81,876 | \$ 29,039 | \$ 11,092 | \$ 122,007 |
| Contract labor | 60 | - | - | 60 |
| Payroll taxes | 6,264 | 2,221 | 849 | 9,334 |
| Taxes - other | - | 112 | - | 112 |
| Education and training | 9,889 | - | - | 9,889 |
| Depreciation | 11,262 | 2,705 | - | 13,967 |
| Advertising | - | - | 202 | 202 |
| Insurance | - | 4,343 | - | 4,343 |
| Background checks | - | 43 | - | 43 |
| Postage | 730 | 730 | - | 1,460 |
| Printing | - | 184 | - | 184 |
| Professional fees | - | 1,750 | - | 1,750 |
| Repairs and maintenance | - | 1,967 | - | 1,967 |
| Supplies | 1,487 | 112 | - | 1,599 |
| Office | - | 3,064 | - | 3,064 |
| Telephone and internet | 1,053 | 926 | 128 | 2,107 |
| Meetings | 2,009 | - | - | 2,009 |
| Bank charges | - | 359 | - | 359 |
| Board development | - | 333 | - | 333 |
| Dues and subscriptions | - | 2,095 | - | 2,095 |
| Interest | - | 5 | - | 5 |
| Utilities | 2,166 | 2,166 | - | 4,332 |
| | <u>\$ 116,796</u> | <u>\$ 52,154</u> | <u>\$ 12,271</u> | <u>\$ 181,221</u> |

See Accountants' Review Report.

The accompanying notes are an integral part of this financial statement.

7th Judicial District Child Advocacy Center dba The Dolphin House

STATEMENT OF CASH FLOWS

Year ended December 31, 2013

| | |
|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Contributions received | \$ 53,467 |
| Other special events and fees received | 57,841 |
| Grants received | 95,305 |
| Interest received | 34 |
| Cash paid to suppliers and employees | <u>(165,132)</u> |
| Net cash provided (used) by operating activities | 41,515 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Cash paid for fixed assets | <u>(10,800)</u> |
| Net cash provided (used) by investing activities | <u>(10,800)</u> |
| Net increase (decrease) in cash | 30,715 |
| Cash at beginning of year | <u>37,324</u> |
| Cash at end of year | <u><u>\$ 68,039</u></u> |
| Reconciliation of change in net assets to net cash provided (used) by operating activities: | |
| Change in net assets | \$ 32,354 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | |
| Depreciation | 13,967 |
| (Increase) decrease in grants receivable | (2,283) |
| (Increase) decrease in pledges receivable | 355 |
| (Increase) decrease in prepaid expenses | 300 |
| Increase (decrease) in deferred revenue | (5,000) |
| Increase (decrease) in accounts payable | <u>1,822</u> |
| Total adjustments | 9,161 |
| Net cash provided (used) by operating activities | <u><u>\$ 41,515</u></u> |

See Accountants' Review Report.

The accompanying notes are an integral part of this financial statement.

7th Judicial District Child Advocacy Center
dba The Dolphin House

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

The 7th Judicial District Child Advocacy Center dba The Dolphin House (the Center) was incorporated as a not-for-profit corporation in the State of Colorado in 2004 to provide coordinated and professional assessment and investigation of child abuse, and a safe place at the Dolphin House for children and families to get help. The Center serves families and individuals in the counties covered by the 7th Judicial District of the State of Colorado.

2. Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Endowment contributions and investments, if any, are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

3. Property and Equipment

The Center capitalizes those items with a cost of \$200 or greater and a useful life greater than one year. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method over the following lives:

| | | |
|------------------------|----|-------|
| Building | 39 | years |
| Equipment | 5 | years |
| Furniture and fixtures | 5 | years |

7th Judicial District Child Advocacy Center
dba The Dolphin House

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES – CONTINUED**

4. Financial Statement Presentation

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restrict net assets – Net assets subject to donor-imposed stipulations that may or will be met, by actions of the Center and/or the passage of time. Temporarily restricted net assets, if any, are reclassified to unrestricted as their time and/or purpose requirements are met. The Center currently has no temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all or part of the income earned on any related investments for general or specific purposes. The Center currently has no permanently restricted net assets.

5. Contributions

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

6. Income Taxes

The Center is a not-for-profit organization, other than a private foundation, that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

7. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

8. Use of Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

7th Judicial District Child Advocacy Center
dba The Dolphin House

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Contributed Services

The Dolphin House does not recognize in the financial statements any support or expense from services contributed by volunteers, as the value of these services is not susceptible to objective measurement or valuation. However, service hours contributed by volunteers are assigned an appropriate dollar value dependent upon the types of service rendered, and that value is provided to those grantors who accept the amounts as matching dollars for grant purposes.

NOTE B – CASH

At December 31, 2013 the bank balance of the funds deposited with the financial institutions was \$68,096, all of which was covered by FDIC insurance.

NOTE C – RECEIVABLES

Grant receivables consist of the following at December 31, 2013:

| | |
|-------------------------------------|-----------------|
| Division of Criminal Justice – VOCA | \$ 6,892 |
| Montrose County | 1,000 |
| Montrose Community Foundation | 500 |
| Zanett Foundation | 500 |
| | <u>\$ 8,892</u> |

The grant receivables are due within one year and the allowance for doubtful receivables is \$0.

Pledges receivable consists of the following at December 31, 2013:

| | |
|-----------------------------|-----------------|
| Pledges due within one year | <u>\$ 1,500</u> |
|-----------------------------|-----------------|

The pledges receivable are due within one year and the allowance for doubtful receivables is \$0.

7th Judicial District Child Advocacy Center
dba The Dolphin House

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE D – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31, 2013 consist of the following:

| | |
|-------------------------------|-------------------|
| Building and improvements | \$ 385,461 |
| Equipment | 29,382 |
| Furniture and fixtures | <u>1,707</u> |
| | 416,550 |
| Less accumulated depreciation | <u>(90,279)</u> |
| | 326,271 |
| Land | <u>50,000</u> |
| | <u>\$ 376,271</u> |

NOTE E – REVENUES

In 2013, 25.1% of the Center's total support and revenue was attributed to two granting agencies.

NOTE F – LINE OF CREDIT

The Center has a line of credit arrangement with a financial institution for \$75,000 at December 31, 2013, with interest at 6.0%. The interest rate varies and is 0.5 percentage points under the prime rate as published in the Wall Street Journal, with a floor of 6.0 % and a ceiling of 18.0%. Interest only payments are due monthly with the Center having the option to prepay the outstanding amount of the line at any time. The line matures November 15, 2015. The line is collateralized by a deed of trust on real estate owned by the Center. The outstanding balance at December 31, 2013 was \$0.

NOTE G – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE H – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 21, 2014 (date of availability of financial statements for issuance) for necessary disclosures and/or financial statement adjustments. Disclosures and/or adjustments identified by management, as applicable, are included in the financial statements.