



7TH JUDICIAL DISTRICT CHILD ADVOCACY CENTER
DBA THE DOLPHIN HOUSE

FINANCIAL STATEMENTS AND
ACCOUNTANTS' REVIEW REPORT

December 31, 2012

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

April 15, 2013

To the Board of Directors
7th Judicial District Child Advocacy Center
dba The Dolphin House

We have reviewed the accompanying statement of financial position of the 7th Judicial District Child Advocacy Center dba The Dolphin House (a nonprofit organization) as of December 31, 2012, and the related statements of activities, functional expenses and cash flows, for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Center management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Chadwick, Steinkirchner, Davis & Co., P.C.

7th Judicial District Child Advocacy Center dba The Dolphin House

STATEMENT OF FINANCIAL POSITION

December 31, 2012

ASSETS

Cash	\$	37,324
Grants receivable		6,609
Pledges receivable		1,855
Prepaid expenses		300
Property, plant and equipment		379,438

TOTAL ASSETS \$ 425,526

LIABILITIES

Accounts payable	\$	3,114
Deferred revenue		5,000

TOTAL LIABILITIES 8,114

NET ASSETS

Unrestricted		417,412
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TOTAL NET ASSETS 417,412

TOTAL LIABILITIES AND NET ASSETS \$ 425,526

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, 2012

SUPPORT

Contributions	\$	60,663
Special events (net of expenses of \$7,084)		21,333
Program service fees		7,170
Interest income		35
Grants and contracts		103,842
		<u>193,043</u>

EXPENSES

Program services		109,858
Supporting services		
Management and general		40,074
Fundraising		12,241
		<u>52,315</u>
		<u>162,173</u>

CHANGE IN NET ASSETS 30,870

Net assets at beginning of year		<u>386,542</u>
Net assets at end of year	\$	<u><u>417,412</u></u>

See Accountants' Review Report.

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

7th Judicial District Child Avocacy Center dba The Dolphin House

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2012

	Program	Supporting Services		Total
	Services	Management and General	Fundraising	
	Center			
Salaries	\$ 71,623	\$ 14,877	\$ 10,876	\$ 97,376
Contract labor	1,160	-	-	1,160
Payroll taxes	5,479	1,138	832	7,449
Taxes - other	-	236	-	236
Education and training	11,278	-	-	11,278
Depreciation	11,716	3,041	-	14,757
Advertising	-	-	418	418
Insurance	-	4,525	-	4,525
Background checks	-	66	-	66
Postage	674	674	-	1,348
Printing	-	637	-	637
Professional fees	-	1,850	-	1,850
Repairs and maintenance	-	1,507	-	1,507
Supplies	997	1,101	-	2,098
Office	-	4,220	-	4,220
Telephone and internet	1,138	1,023	115	2,276
Meetings	3,495	-	-	3,495
Bank charges	-	322	-	322
Board development	-	245	-	245
Dues and subscriptions	-	2,037	-	2,037
Interest	-	278	-	278
Utilities	2,298	2,297	-	4,595
	<u>\$ 109,858</u>	<u>\$ 40,074</u>	<u>\$ 12,241</u>	<u>\$ 162,173</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, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Contributions received	\$ 59,808
Other special events and fees received	28,503
Grants received	101,470
Interest received	35
Cash paid to suppliers and employees	(146,701)
Net cash provided (used) by operating activities	<u>43,115</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on the line of credit	(30,000)
Net cash provided (used) by financing activities	<u>(30,000)</u>
Net increase (decrease) in cash	13,115
Cash at beginning of year	<u>24,209</u>
Cash at end of year	<u><u>\$ 37,324</u></u>
Reconciliation of change in net assets to net	
cash provided (used) by operating activities:	
Change in net assets	\$ 30,870
Adjustments to reconcile change in net assets to net	
cash provided (used) by operating activities:	
Depreciation	14,757
(Increase) decrease in grants receivable	5,128
(Increase) decrease in pledges receivable	(855)
Increase (decrease) in deferred revenue	(7,500)
Increase (decrease) in accounts payable	715
Total adjustments	<u>12,245</u>
Net cash provided (used) by operating activities	<u><u>\$ 43,115</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, 2012

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, 2012

**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, 2012

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, 2012 the bank balance of the funds deposited with the financial institutions was \$37,375, all of which was covered by FDIC insurance.

NOTE C – RECEIVABLES

Grant receivables consist of the following at December 31, 2012:

Division of Criminal Justice – VOCA	\$ 3,609
Montrose Community Foundation	2,000
Montrose County	1,000
	<u>\$ 6,609</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, 2012:

Pledges due within one year	<u>\$ 1,855</u>
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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, 2012

NOTE D – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31, 2011 consist of the following:

Building	\$ 374,661
Equipment	33,760
Furniture and fixtures	<u>1,707</u>
	410,128
Less accumulated depreciation	<u>(80,690)</u>
	329,438
Land	<u>50,000</u>
	<u>\$ 379,438</u>

NOTE E – REVENUES

In 2012, 31.5% 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, 2012, 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, 2012 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 April 15, 2013 (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.