

THE CHILDREN'S ALLIANCE OF HAWAII INC.
(A Not-for-Profit Corporation)

FINANCIAL STATEMENTS

Years Ended December 31, 2013 and 2012

and

INDEPENDENT AUDITOR'S REPORT

JAMES D. JENNINGS, CPAs, Inc.
Certified Public Accountants
Honolulu, Hawaii

THE CHILDREN'S ALLIANCE OF HAWAII INC.
(A Not-for-Profit Corporation)

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Jennings
James D. Jennings, CPA, Inc.

1600 Kapiolani Blvd., Suite 1311
Honolulu, HI 96814
Tel: (808) 942-8813
Fax: (808) 943-0572
Website: www.jenningscpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Children's Alliance of Hawaii, Inc.

We have audited the accompanying financial statements of The Children's Alliance of Hawaii, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, 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.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 auditor considers 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Alliance of Hawaii, Inc. as of December 31, 2013 and 2012, 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.

James D Jennings CPA Inc

Honolulu, Hawaii
June 25, 2014

THE CHILDREN'S ALLIANCE OF HAWAII, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012

ASSETS		
	2013	2012
Current assets		
Cash and cash equivalents	\$ 824,798	\$ 926,452
Certificate of Deposits	-	100,000
Accounts receivable	51,322	87,700
Prepaid expenses and other	5,828	9,238
Total current assets	881,948	1,123,390
Property and equipment, net	358	567
Other assets	5,556	5,556
Total assets	\$ 887,862	\$ 1,129,513

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities		
Accounts payable	\$ 44,619	\$ 19,366
Accrued liabilities	17,766	18,064
Deferred income	13,467	103
Total current liabilities	75,852	37,533
Total liabilities	75,852	37,533

NET ASSETS

Unrestricted - operation	14,327	122,653
- board designated funds	725,000	900,000
Total unrestricted	739,327	1,022,653
Temporarily restricted	72,683	69,327
Total net assets	812,010	1,091,980
Total liabilities and net assets	\$ 887,862	\$ 1,129,513

See accompanying notes to financial statements

THE CHILDREN'S ALLIANCE OF HAWAII, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions	\$ 49,463	\$ -	\$ 49,463
Grant with governmental agencies	138,923	-	138,923
Contract and grants	217,704	66,738	284,442
In-kind contributions			
Donated goods	9,576	-	9,576
Donated services	-	-	-
Interest income	2,446	-	2,446
Miscellaneous income	27,608	-	27,608
Net assets released from restriction			
Restriction satisfied by payments	<u>63,382</u>	<u>(63,382)</u>	<u>-</u>
 Total revenue and support	 <u>509,102</u>	 <u>3,356</u>	 <u>512,458</u>
EXPENSES			
Program services			
Enhancements	121,901	-	121,901
H.E.A.R.T.	146,714	-	146,714
Ho'omaka program	110,568	-	110,568
Public Awareness	<u>241,069</u>	<u>-</u>	<u>241,069</u>
 Total program services	 <u>620,252</u>	 <u>-</u>	 <u>620,252</u>
Supporting services			
Management and general	71,010	-	71,010
Fundraising	<u>101,166</u>	<u>-</u>	<u>101,166</u>
 Total supporting services	 <u>172,176</u>	 <u>-</u>	 <u>172,176</u>
 Total expenses	 <u>792,428</u>	 <u>-</u>	 <u>792,428</u>
 Change in net assets	 <u>(283,326)</u>	 <u>3,356</u>	 <u>(279,970)</u>
NET ASSETS			
Beginning of year	<u>1,022,653</u>	<u>69,327</u>	<u>1,091,980</u>
 End of year	 <u>\$ 739,327</u>	 <u>\$ 72,683</u>	 <u>\$ 812,010</u>

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See accompanying notes to financial statements

THE CHILDREN'S ALLIANCE OF HAWAII, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions	\$ 35,349	\$ 4,000	\$ 39,349
Grant with governmental agencies	207,421	-	207,421
Contract and grants	72,236	150,691	222,927
In-kind contributions			
Donated goods	33,528	-	33,528
Donated services	2,138	-	2,138
Special events			
Gross receipts	\$ 54,661		
Less direct expenses	<u>(33,780)</u>	-	20,881
Interest income and other	21,727	-	21,727
Net assets released from restriction			
Restriction satisfied by payments	<u>107,297</u>	<u>(107,297)</u>	<u>-</u>
 Total revenue and support	 <u>500,577</u>	 <u>47,394</u>	 <u>547,971</u>
EXPENSES			
Program services			
Enhancements	151,101	-	151,101
H.E.A.R.T.	181,769	-	181,769
Ho'omaka	116,139	-	116,139
Public Awareness	<u>104,983</u>	<u>-</u>	<u>104,983</u>
 Total program services	 <u>553,992</u>	 <u>-</u>	 <u>553,992</u>
Supporting services			
Management and general	64,068	-	64,068
Fundraising	<u>74,116</u>	<u>-</u>	<u>74,116</u>
 Total supporting services	 <u>138,184</u>	 <u>-</u>	 <u>138,184</u>
 Total expenses	 <u>692,176</u>	 <u>-</u>	 <u>692,176</u>
 Change in net assets	 <u>(191,599)</u>	 <u>47,394</u>	 <u>(144,205)</u>
NET ASSETS			
Beginning of year	<u>1,214,252</u>	<u>21,933</u>	<u>1,236,185</u>
 End of year	 <u>\$ 1,022,653</u>	 <u>\$ 69,327</u>	 <u>\$ 1,091,980</u>

See accompanying notes to financial statements

THE CHILDREN'S ALLIANCE OF HAWAII, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2013

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	TOTAL
	Enhancements	H.E.A.R.T	Ho'omaka	Public Awareness		Management and General	Fundraising		
Salaries and related expenses:									
Salaries	\$ 39,489	\$ 75,108	\$ 47,986	\$ -	\$ 162,583	\$ 18,524	\$ 39,757	\$ 58,281	\$ 220,864
Payroll taxes	5,830	10,684	7,335	-	23,849	2,508	5,745	8,253	32,102
Employee benefits	3,481	5,548	5,728	-	14,757	869	1,737	2,606	17,363
Total salaries and related expenses	<u>48,800</u>	<u>91,340</u>	<u>61,049</u>	<u>-</u>	<u>201,189</u>	<u>21,901</u>	<u>47,239</u>	<u>69,140</u>	<u>270,329</u>
Operating Expenses:									
Professional fees and contract services	9,030	14,788	12,600	179,607	216,025	37,333	23,397	60,730	276,755
Occupancy	9,839	22,050	22,121	954	54,964	6,261	11,182	17,443	72,407
Direct assistance	47,609	-	-	-	47,609	-	-	-	47,609
Printing and publications	201	418	419	25,599	26,637	-	1,614	1,614	28,251
Other	(1,121)	1,027	1,513	22,425	23,844	1,215	677	1,892	25,736
Conferences and meetings	1,325	3,331	3,322	9,093	17,071	841	703	1,544	18,615
Information technology	1,438	3,172	2,810	2,077	9,497	828	6,029	6,857	16,354
Supplies and services	1,450	6,137	3,482	263	11,332	627	673	1,300	12,632
Donated goods and services	875	790	-	-	1,665	-	7,911	7,911	9,576
Insurance	1,096	2,193	1,756	-	5,045	556	894	1,450	6,495
Telephone and utilities	941	964	994	792	3,691	417	409	826	4,517
Postage and shipping	176	126	118	259	679	41	366	407	1,086
Dues and membership	12	76	76	-	164	685	44	729	893
Staff training	200	239	239	-	678	105	-	105	783
Depreciation	30	63	69	-	162	20	28	48	210
Bad debt expenses	-	-	-	-	-	180	-	180	180
Total operating expenses	<u>73,101</u>	<u>55,374</u>	<u>49,519</u>	<u>241,069</u>	<u>419,063</u>	<u>49,109</u>	<u>53,927</u>	<u>103,036</u>	<u>522,099</u>
Total expenses	<u>\$ 121,901</u>	<u>\$ 146,714</u>	<u>\$ 110,568</u>	<u>\$ 241,069</u>	<u>\$ 620,252</u>	<u>\$ 71,010</u>	<u>\$ 101,166</u>	<u>\$ 172,176</u>	<u>\$ 792,428</u>

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See accompanying notes to financial statements

THE CHILDREN'S ALLIANCE OF HAWAII, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2012

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	TOTAL
	Enhancements	H.E.A.R.T	Ho'omaka	Public Awareness		Management and General	Fundraising		
Salaries and related expenses:									
Salaries	\$ 51,693	\$ 83,763	\$ 58,808	\$ -	\$ 194,264	\$ 21,954	\$ 24,788	\$ 46,742	\$ 241,006
Payroll taxes	7,495	11,668	8,013	-	27,176	2,789	3,308	6,097	33,273
Employee benefits	1,692	10,552	6,030	-	18,274	963	1,926	2,889	21,163
Total salaries and related expenses	60,880	105,983	72,851	-	239,714	25,706	30,022	55,728	295,442
Operating Expenses:									
Professional fees and contract services	9,914	14,771	9,938	89,277	123,900	7,641	7,775	15,416	139,316
Occupancy	18,697	29,255	19,530	-	67,482	8,000	3,834	11,834	79,316
Direct assistance	41,146	-	-	-	41,146	-	-	-	41,146
Other	6,801	1,121	1,705	11,661	21,288	1,253	2,355	3,608	24,896
Supplies and services	4,718	5,534	3,815	13	14,080	9,706	1,052	10,758	24,838
Donated goods and services	1,115	6,672	-	-	7,787	-	13,241	13,241	21,028
Conferences and meetings	1,358	6,396	2,129	2,384	12,267	3,275	288	3,563	15,830
Fundraising expenses	-	-	-	-	-	-	5,470	5,470	5,470
Information technology	2,373	3,702	2,478	1,172	9,725	929	2,572	3,501	13,226
Staff training	-	2,799	4	-	2,803	5,100	1,716	6,816	9,619
Depreciation	1,277	1,993	1,334	-	4,604	500	262	762	5,366
Insurance	1,136	1,782	1,175	-	4,093	445	234	679	4,772
Telephone and utilities	1,304	1,306	755	442	3,807	697	238	935	4,742
Printing and publications	30	47	32	3	112	12	2,662	2,674	2,786
General excise tax	-	-	-	-	-	1	2,058	2,059	2,059
Postage and shipping	352	408	393	31	1,184	100	337	437	1,621
Dues and membership	-	-	-	-	-	703	-	703	703
Total operating expenses	90,221	75,786	43,288	104,983	314,278	38,362	44,094	82,456	396,734
Total expenses	\$ 151,101	\$ 181,769	\$ 116,139	\$ 104,983	\$ 553,992	\$ 64,068	\$ 74,116	\$ 138,184	\$ 692,176

See accompanying notes to financial statements

THE CHILDREN'S ALLIANCE OF HAWAII, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities:		
Change in net assets	\$ (279,970)	\$ (144,205)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation and amortization	209	5,366
(Increase) decrease in:		
Contributions receivable	36,378	(30,427)
Prepaid expenses and other	3,410	(6,031)
Other assets	-	80
Accounts payable	25,254	11,241
Accrued liabilities	(299)	(5,382)
Deferred income	13,364	(21,601)
	(201,654)	(190,959)
Cash Flows From Investing Activities:		
Proceeds from sale of investments	100,000	-
	100,000	-
Cash Flows From Financing Activities:		
Net cash used for financing activities	-	-
	(101,654)	(190,959)
Cash and Cash Equivalents:		
Beginning of the year	926,452	1,117,411
End of the year	\$ 824,798	\$ 926,452

See accompanying notes to financial statements

THE CHILDREN'S ALLIANCE OF HAWAII INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2013 and 2012

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Children's Alliance of Hawaii, Inc. (CAH) was organized in the State of Hawaii in 1987. The Organization's mission is to provide care and support for sexually abused children, offering hope for the future. It provides a variety of long-term supportive services to assist sexually abused children on Oahu and Kauai to heal from their trauma toward a positive transition into adulthood through successful partnerships and programs designed to leave a lasting legacy of healing, encouragement and optimism. Revenues and support are provided mainly through contributions and grants from individuals, foundations, corporations, government agencies and special fundraising events.

The Organization changed its name from Friends of the Children's Justice Center of Oahu, Inc. to The Children's Alliance of Hawaii, Inc. on June 11, 2003, to better reflect the programs and services it provides. The Children's Alliance of Hawaii, Inc. is able to accomplish its mission through the core programs as follows:

Enhancements Program

The Enhancements Program is designed to "enhance" the lives of financially needy sexually abused children by providing in-kind and financial assistance for goods and services that help them become stable, enrich their development and sense of normalcy, increase their self-esteem and self-confidence. This program focuses on the child's individual needs, offering support for school-related activities and functions, extracurricular activities, music, dance, sports activities, school credit recovery courses, birthday gifts, etc.

H.E.A.R.T. (Healing Emotions with Art and Recreation Together) Program

HEART is an evidence-based, gender-specific, year-long program, targeting sexually abused children and adolescents. It offers six, 8-week small group components that combines therapeutic, developmentally-appropriate social/recreational strategies designed to help them to identify their emotions, increase self-esteem and self-efficacy, strengthen their resiliency, develop leadership skills and learn positive life skills. Program components include expressive art and movement, outdoor activities, trust building activities, Hawaiian culture, community service, and group and individual reflection.

Ho`omaka Program

Ho`omaka is an evidence-based individualized mentoring program designed to assist adolescents who are struggling with direction, life circumstances and exhibiting symptoms of trauma from sexual abuse. Clients work with trained adult mentors in a positive one-on-one relationship and develop positive life skills in goal-setting, problem-solving, healthy relationship-building, independent living and conflict resolution.

Strengthening Parents Program

The Strengthening Parents program facilitates bi-monthly parent support groups to enable parents to manage their own emotions about sexual abuse to their children and enhance their parenting skills to provide a safe, nurturing family environment.

THE CHILDREN'S ALLIANCE OF HAWAII INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2013 and 2012

1. Nature of Activities and Summary of Significant Accounting Policies - (Continued)

Special Projects

CAH staff and volunteers coordinate special projects to benefit sexually abused children, such as its Back to School Project which provides school supplies for sexually abused children and its Christmas Angel Project which provides holiday gifts.

Public Awareness

In 2012, CAH began to provide support to a statewide public awareness campaign for the prevention of child abuse and neglect in collaboration with the Hawaii Community Foundation and the Hawaii Children's Trust Fund.

Summary of Significant Accounting Policies

Basis of accounting

The financial statements of CAH have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958, Not-for-Profit Organizations Entities. Under ASC No. 958, CAH 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.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Cash and cash equivalents

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

Accounts receivables

Accounts receivables are stated at the amount management expect to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Currently, management believes there is no need to setting up allowance for doubtful account.

THE CHILDREN'S ALLIANCE OF HAWAII INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2013 and 2012

1. Nature of Activities and Summary of Significant Accounting Policies - (Continued)

Donated property and equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Donated facilities are recorded at the fair market value of the rentals received if such amounts can be readily determined.

Donated services

Donated services are recognized as contributions in accordance with Accounting Standards Codification (ASC) 958-605, For-Profit Entities: Revenue Recognition, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CAH. Other individuals volunteer time and perform a variety of tasks assisting the Organization with specific operational functions without financial statement recognition.

Expense allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one functional service are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of CAH.

Income tax status

Although CAH is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, any income from activities not directly related to its tax-exempt purpose may be subject to taxation as unrelated business income. In addition, since The Children's Alliance of Hawaii, Inc. has been classified as an organization that is not a private foundation under Section 509(a)(2), certain financial and other assistance provided to CAH would qualify for the charitable contribution deduction under Section 170(b)(1)(A).

Promises to give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

THE CHILDREN'S ALLIANCE OF HAWAII INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2013 and 2012

1. Nature of Activities and Summary of Significant Accounting Policies - (Continued)

Property and equipment

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related asset or asset class which range from three to thirty-nine years. Expenditures for repairs and maintenance are charged to expense as incurred, and major improvements and replacements are generally capitalized. CAH follows the practice of capitalizing all expenditures for fixed assets in excess of \$3,000.

Restricted and unrestricted revenue and support

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

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 (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. When donor-imposed restrictions are met in the same reporting period, said contribution is recorded as unrestricted support.

Government contracts are considered to be earned, and thus reported as revenue, when CAH has incurred expenses in compliance with the specific restrictions. Accounts receivable includes the excess of expenses incurred over support received. Governmental contracts received in excess of expenses incurred are classified as deferred revenue until expended.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

2. Concentration of Risk Arising from Cash Deposits in Excess of Insured Limits

CAH maintains its cash and cash equivalents in financial institutions in Hawaii. At December 31, 2013 and 2012, aggregate cash balances per bank were in excess of the Federal Deposit Insurance Corporation limits approximately \$0 and \$143,600, respectively.

3. Donated Materials, Services and Facilities

CAH received various donated goods in connection with their program services and fundraising activities. The various donated goods received in connection with their fundraising activities were sold at special events held by the Organization. During the years ended December 31, 2013 and 2012, the Organization recognized in-kind contributions and matching expenditures totaling \$9,576 and \$35,666, respectively.

THE CHILDREN'S ALLIANCE OF HAWAII INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2013 and 2012

4. Property and Equipment

As of December 31, 2013 and 2012, property and equipment consisted of the following assets categories:

	Estimated Useful Life	2013	2012
Leasehold Improvement	2 years	\$ 24,246	\$ 24,246
Furniture and equipment	3 - 5 years	30,906	30,906
		55,152	55,152
Less accumulated depreciation		(54,794)	(54,585)
Net carrying value		\$ 358	\$ 567

Depreciation expense for the year ended December 31, 2013 and December 31, 2012 totaled \$209 and \$5,366, respectively.

5. Lease Commitments

CAH was obligated under terms of a lease which expires on April 30, 2014 for office space located in Honolulu, Hawaii. The monthly rents range from \$3,100 to \$3,200 plus their prorate share of common area maintenance and Hawaii's general excise taxes. Future minimum base lease payment under the office lease, are approximately as follows:

January 1 to April 30, 2014	\$ 12,558
	\$ 12,558

Rent expenses for the fiscal year ended December 31, 2013 and 2012 totaled \$72,407 and \$79,315, respectively.

6. Net Assets

Permanently restricted net assets

There were no permanently restricted assets as of December 31, 2013 and 2012.

Temporarily restricted net assets

As of December 31, 2013 and 2012, temporarily restricted net assets were available for the following purposes and were released from the following restrictions:

THE CHILDREN'S ALLIANCE OF HAWAII INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2013 and 2012

6. Net Assets - (Continued)

	2013	
	Released	Available
Person In Need Grants	\$ 45,814	\$ 50,346
Enhancement Program	2,144	13,017
H.E.A.R.T. Program	10,842	9,320
Ho'omaka Program	382	-
Other	4,200	-
	\$ 63,382	\$ 72,683

	2012	
	Released	Available
Person In Need Grants	\$ 44,450	\$ 56,187
Enhancement Program	3,404	3,096
H.E.A.R.T. Program	7,758	5,462
Ho'omaka Program	2,618	382
Other	49,067	4,200
	\$ 107,297	\$ 69,327

Unrestricted board designated funds

In 2010, the board directors' of CAH had restricted \$1,200,000 of proceeds from sale of prior building to be restricted for future capital use. At December 31, 2013 and 2012, board designated unrestricted net assets was \$725,000 and \$900,000, respectively.

7. Income Tax Positions

CAH adopted the provisions of ASC 740, Income Taxes, on January 1, 2010. As required by the uncertain tax position guidance in ASC 740, CAH would recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position after an audit. At the adoption date, CAH applied the uncertain tax position guidance in ASC 740 to all tax positions for which the statute of limitations has remained open, including CAH.'s status as a tax-exempt organization and its lack of unrelated business income. As a result of the implementation of the uncertain tax position guidance in ASC 740, CAH has not recognized an additional liability for unrecognized tax benefits nor any interest or penalties as of December 31, 2013. Management does not anticipate that this will change significantly in the next twelve months.

THE CHILDREN'S ALLIANCE OF HAWAII INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2013 and 2012

7. Income Tax Positions - (Continued)

CAH files income tax returns in the U. S. federal jurisdiction and the State of Hawaii. Tax regulations within each jurisdiction are subject to interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2010.

8. Subsequent Event

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 25, 2014, the date the financial statements were available to be issued.