

CRISIS PREGNANCY CENTERS of SANTA CLARA COUNTY

REVIEWED FINANCIAL STATEMENTS

DECEMBER 31, 2015

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of Crisis Pregnancy Centers of Santa Clara County:

We have reviewed the accompanying statement of financial position of Crisis Pregnancy Centers of Santa Clara County (a California Nonprofit Public Benefit Corporation) as of December 31, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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'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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Prior year

The prior year summarized comparative information has been derived from the December 31, 2014 financial statements which were audited by us, and we expressed an unqualified opinion on them in our report dated March 14, 2015. We have not performed any auditing procedures since that date.



Deborah K. Daly, CPA
December 5, 2016

Crisis Pregnancy Centers of Santa Clara County
Statement of Financial Position
At December 31, 2015 with Comparative Summarized Totals at December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Summarized 2014
ASSETS					
Cash and cash equivalents	\$794,378	\$18,992		\$813,370	\$1,049,141
Certificates of deposit	140,484			140,484	103,052
Endowment savings	1,000	2	\$10,000	11,002	11,001
Donations receivable	12,182			12,182	204,496
Pledges receivable, net		98,005		98,005	35,133
Prepaid expenses	37,545			37,545	20,636
TOTAL CURRENT ASSETS	985,589	116,999	10,000	1,112,588	1,423,459
Deposits	14,551			14,551	25,551
Property and equipment, net	849,192			849,192	990,377
TOTAL ASSETS	\$1,849,332	\$116,999	\$10,000	\$1,976,331	\$2,439,387
LIABILITIES					
Accounts payable	\$1,596			\$1,596	\$174,103
Accrued compensation	58,995			58,995	34,224
TOTAL CURRENT LIABILITIES	60,591			60,591	208,327
NET ASSETS					
Unrestricted	1,787,741			1,787,741	2,124,058
Board designated quasi endowment	1,000			1,000	1,000
Temporarily restricted		\$116,999		116,999	96,002
Permanently restricted			\$10,000	10,000	10,000
TOTAL NET ASSETS	1,788,741	116,999	10,000	1,915,740	2,231,060
TOTAL LIABILITIES & NET ASSETS	\$1,849,332	\$116,999	\$10,000	\$1,976,331	\$2,439,387

See Independent Accountant's Review Report and Notes to The Financial Statements

Crisis Pregnancy Centers of Santa Clara County
Statement of Activities

For the year ended December 31, 2015 with Comparative Summarized Totals for the Year Ended December 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Summarized 2014
Support and Revenue					
Support					
Donations	\$1,336,217	\$87,092		\$1,423,309	\$1,438,020
In-kind donations	51,322			51,322	95,400
Special events, gross proceeds	252,206			252,206	861,306
Revenue					
Gain / (loss) on asset disposa					(10,304)
Room rental	7,020			7,020	7,605
Other revenue, licensing fees	1,000			1,000	500
Other revenue, refunds	110	1		111	166
Interest income	3,045			3,045	3,872
	<u>1,650,920</u>	<u>87,093</u>		<u>1,738,013</u>	<u>2,396,565</u>
Net assets released from restrictions:					
Expiration of donor restrictions	<u>66,096</u>	<u>(66,096)</u>			
Total revenue and support	<u>1,717,016</u>	<u>20,997</u>		<u>1,738,013</u>	<u>2,396,565</u>
Expenses					
Program services					
Prenatal services	1,400,618			1,400,618	1,114,227
Supporting services					
Management and general	299,877			299,877	244,931
Fund-raising	352,838			352,838	258,119
Total expenses	<u>2,053,333</u>			<u>2,053,333</u>	<u>1,617,277</u>
Changes in net assets	<u>(336,317)</u>	<u>20,997</u>		<u>(315,320)</u>	<u>779,288</u>
Net assets at beginning of year	<u>2,125,058</u>	<u>96,002</u>	<u>\$10,000</u>	<u>2,231,060</u>	<u>1,451,772</u>
Net assets at end of year	<u>\$1,788,741</u>	<u>\$116,999</u>	<u>\$10,000</u>	<u>\$1,915,740</u>	<u>\$2,231,060</u>

See Independent Accountant's Review Report and Notes to The Financial Statements

Crisis Pregnancy Centers of Santa Clara County
Statement of Functional Expenses

For the year ended December 31, 2015 with Comparative Summarized Totals for the Year Ended December 2014

	Program	Supporting Services		2015	2014
	Prenatal Services	Management & General	Fund - Raising	Total	Summarized
Salaries & wages	\$604,438	\$159,998	\$124,443	\$888,879	\$675,158
Payroll taxes	51,887	13,735	10,683	76,305	60,938
Employee benefits	36,442	9,646	7,503	53,591	36,805
Total salaries and benefits	692,767	183,379	142,629	1,018,775	772,901
Client outreach / advertising	155,586		53,732	209,318	145,471
Conferences & meetings	31,171			31,171	32,832
Dues, fees, & other charges		15,329		15,329	16,043
Equipment purchase / lease	650			650	5,195
Insurance	13,003	1,947	278	15,228	12,774
Maintenance & repairs	5,259	876	125	6,260	34,301
Outside services	57,856	13,162	2,670	73,688	78,621
Postage & delivery			3,646	3,646	3,530
Practical support	13,006			13,006	46,736
Printing			8,062	8,062	31,307
Rent	244,473	40,746	5,821	291,040	242,016
Special events expense			101,774	101,774	34,197
Supplies	12,280	18,753	30,432	61,465	30,406
Telephone & internet	6,939	1,156	165	8,260	7,455
Travel	10,208			10,208	26,657
Utilities	2,947	491	70	3,508	3,078
Volunteer/staff appreciation	10,246			10,246	6,234
Subtotal before depreciation	1,256,391	275,839	349,404	1,881,634	1,529,754
Depreciation & amortization	144,227	24,038	3,434	171,699	87,523
Total expenses	\$1,400,618	\$299,877	\$352,838	\$2,053,333	\$1,617,277

See Independent Accountant's Review Report and Notes to The Financial Statements

Crisis Pregnancy Centers of Santa Clara County
Statement of Cash Flows

For the year ended December 31, 2015 with Comparative Summarized Totals for the Year Ended December 2014

	Total 2015	Summarized 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	(\$315,320)	\$779,288
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation & amortization	171,699	87,523
Interest re-invested in certificates of deposits	(3,432)	(3,052)
Changes in endowment savings	(1)	(1)
(Increase) decrease in operating assets		
Donations receivable	192,314	(98,504)
Pledges receivable, net	(62,872)	17,101
Deposits	11,000	(8,107)
Prepaids	(16,909)	(14,427)
Increase (decrease) in operating liabilities		
Accounts payable	(172,507)	137,626
Accrued compensation	24,771	2,852
NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	<u>(171,257)</u>	<u>900,299</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment additions	<u>(30,514)</u>	<u>(647,751)</u>
NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	<u>(30,514)</u>	<u>(647,751)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchases of endowment investments		(5,000)
Redemptions of certificates of deposits		174,156
Purchases of certificates of deposits	<u>(34,000)</u>	
NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	<u>(34,000)</u>	<u>169,156</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(235,771)</u>	<u>421,704</u>
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,049,141</u>	<u>627,437</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$813,370</u></u>	<u><u>\$1,049,141</u></u>

See Independent Accountant's Review Report and Notes to The Financial Statements

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Crisis Pregnancy Centers of Santa Clara County (the Organization) doing business as Real Options is a community-based non-profit health and welfare Organization, incorporated in the state of California in 1981. Real Options is a pro-life counseling ministry and medical clinic, with three operating sites in Silicon Valley.

NOTE B – PROGRAM SERVICES

Real Options is recognized for its quality of care since 1981. The Organization provides consultations, professional medical services, material support to women, men, students and families facing pregnancy decisions. The Organization consists of four medically licensed clinics serving Santa Clara and Alameda Counties devoted to caring for patients physically, emotionally, and spiritually. The Organization strives to be the first place people go to learn all their options. All medical services are free of charge, confidential, and provided without government funding. A broad spectrum of services are offered including prevention, intervention and wellness services to the community positively impacting thousands of students and families each year.

Real Options serves over a thousand women each year; providing pregnancy testing, information on abortion, carry-to-term support, adoption information and sexually transmitted disease testing. The Organization is committed to meeting each and every women's physical, emotional and spiritual needs. The Organization provides physical support in the form of maternity and baby clothing, baby furniture, individual and couple consulting on options, childbirth classes, prenatal care, post abortion recovery groups and Bible study services. The Organization has an active youth education program - abstinence education in public and private schools and youth groups. The Organization offers free and confidential Pregnancy testing, STD testing, Ultrasound imaging, Options consulting, Prenatal care and Abortion pill reversal.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies that follow are described to enhance the usefulness of the financial statements to the reader.

Financial Statement 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. In addition, the Organization is required to present a statement of cash flows.

Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Temporary restricted net assets include those, which are subject to a donor restriction and for which the restriction was not met at the end of the current reporting period. Permanently restricted net assets include those assets which are subject to a non-expiring donor restriction, such as an endowment.

Comparative Financial 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, 2014, from which the summarized information was obtained.

Use of 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.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows the Organization considers cash and cash equivalents to include all cash accounts held in banks and other financial institutions, with an initial maturity of three months or less.

Donations and Pledges Receivable

Donations and pledges receivable, less an allowance for doubtful collection, are recorded in the statement of financial position and are current.

Allowance for Doubtful Accounts

Management maintains an allowance on pledges receivable based on specific identification, consideration included the pledge size, the donor history and the pledge due date. An allowance is not maintained on donations receivable as those funding sources are likely to be received.

Property and Equipment

Property and equipment is capitalized at estimated fair value when donated or at cost when purchased. Property and equipment donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Property and equipment is depreciated using the straight-line method. The Organization's threshold for capitalizing its equipment is \$500.

Revenue Recognition

The Organization recognizes support and revenue on the accrual basis of accounting. The Organization's programs are supported primarily by donations from individuals and corporations. Donations are recognized as revenue in the period in which the donation is received.

Contributions

Contributions are recognized when a donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature of any donor restrictions. Temporarily restricted contributions are reported as increases in restricted net assets and reclassified to unrestricted net assets as donor restrictions are met.

In-kind Contributions

Contributions in-kind are recognized as follows: donated equipment and other donated goods are recorded at their estimated fair value as of the date donated, contributed services - which require a specialized skill and which the Organization would have paid for if not donated, are recorded at estimated fair value at the time the services are rendered. The Organization also receives donated services that do not require specific expertise and as such are not reflected in the accompanying financial statements as they do not meet the requirements of generally accepted accounting principles to do so, but which are nonetheless central to the Organization's operations and are disclosed in the footnotes.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on employee work assignments and facility usage.

Advertising

The Organization advertises its services in the yellow pages, on television, in local newspapers and in other media outlets. Advertising costs are expensed as incurred and totaled \$209,138 for the year ended December 31, 2015 and \$145,471 for the year ended December 31, 2014.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is not classified as a private foundation and is exempt from federal and state income taxes under section 501(c)3 of the Internal Revenue Code and Section 23701(d) of the California Code. The Organization is considered a publicly supported organization. The Financial Accounting Standards Boards prescribes a recognition threshold and a measurement attribute for financial statement recognition of tax positions taken or expected to be taken on a tax return. Management has evaluated its uncertain tax positions and related income tax contingencies and does not believe any material tax positions exist. The Organization's federal and state informational returns for the years ending December 31, 2012 through December 31, 2014 are subject to examination by regulatory agencies; generally for three years after they have been filed.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date. Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Organization currently does not have any assets measured at fair value.

NOTE D – QUASI ENDOWMENT

During the year ending December 31, 2013 the Organization's Board of Directors established a \$1,000 quasi-endowment fund and over time the Organization has received a total of \$10,000 in permanently restricted donations. The Organization follows the accounting rules of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and provides Enhanced Disclosures for its endowment fund. The State of California enacted UPMIFA effective June 2008; State Prudent Management of Institutional Funds Act (SPMIFA).

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted SPMIFA as requiring the preservation of the fair value of the original gift absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Organization 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 gift is added to the fund. The portion of the endowment fund that is classified as temporarily restricted net assets are the interest earnings on the accumulated balance of the permanently restricted donations. The portion of the endowment fund that is classified as unrestricted net assets are the board designated contributions into the fund and the associated interest earnings on those designated donations.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policy.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE D – QUASI ENDOWMENT (continued)

Return Objective and Risk Parameters

The Organization has adopted an investment policy with the primary investment objective to maximize total return, while assuming an appropriate level of risk given the nature of the funds under management. The goal is to produce a growing level of income and principal to ensure funding for the activities supported by the endowment can be maintained in the face of inflation.

Strategies Employed for Achieving Objectives

Endowment assets are invested in a savings account. Investment risk is measured in terms of the total endowment assets and not to expose the fund to unacceptable levels of risk.

Endowment fund positions are as follows:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Savings Account	\$11,002	\$11,001

Changes in endowment fund is as follows:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Beginning of Year Balance	\$11,001	\$6,000
End of Year Balance	<u>\$11,002</u>	<u>\$11,001</u>
Change in Value	<u>\$1</u>	<u>\$5,001</u>

Change in value of endowment fund is due to the following:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Contributions into Account		\$5,000
Interest Income	<u>\$1</u>	<u>\$1</u>
Change in Value	<u>\$1</u>	<u>\$5,001</u>

Endowment fund by restriction:

	Unrestricted	Temporarily	Permanently	Total
Beginning of the year	\$1,000		\$5,000	\$6,000
Changes during the year	<u></u>	<u>\$2</u>	<u>\$5,000</u>	<u>\$5,002</u>
End of the year	<u>\$1,000</u>	<u>\$2</u>	<u>\$10,000</u>	<u>\$11,002</u>

NOTE E – CERTIFICATES OF DEPOSIT

Certificate of deposit at December 31, 2015 is \$140,484 and at December 31, 2014 is \$103,052. Certificate of deposit bears interest at .4% and matures in August 2016, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

NOTE F – PLEDGES RECEIVABLE

At December 31, 2015 unconditional pledges receivable, \$108,917, are reported net of an allowance for doubtful collection of \$10,912 in the statement of financial position. At December 31, 2014 unconditional pledges receivable, \$42,297, are reported net of an allowance for doubtful collection of \$7,164 in the statement of financial position. Pledges are not discounted to present value as they are all due within one year.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE G – FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization maintains a majority of their cash in bank deposit accounts that, at times, may exceed federally insured limits of \$250,000. The organization has not experienced any losses in such accounts. Management believes the organization is not exposed to any significant credit risk related to cash. At December 31, 2015, the Organization's uninsured cash balance is \$0 and at December 31, 2014, is \$8,025.

NOTE H – PROPERTY AND EQUIPMENT

Property, Equipment and related accumulated depreciation is as follows:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Equipment & Furniture	\$246,271	\$215,757
Building Improvements	<u>\$930,320</u>	<u>\$930,320</u>
Total Property & Equipment	\$1,176,591	\$1,146,077
Accumulated Depreciation	<u>(\$327,399)</u>	<u>(\$155,700)</u>
Property & Equipment, net	<u><u>\$849,192</u></u>	<u><u>\$990,377</u></u>

Depreciation expense for the year ending December 31, 2015 is \$171,699 and for the year ending December 31, 2014 is \$87,523.

NOTE I – LEASES

The organization has three non-cancelable operating facility lease agreements: East San Jose, Central San Jose and Mt. View. The lease terms are as follows: East San Jose's term ends January 2018, Central San Jose's term ends July 2022 and Mt View's term ends August 2020. Future minimum lease payments, under these lease agreements, are as follows:

	<u>CSJ Facility</u>	<u>ESJ Facility</u>	<u>Mt View</u>	<u>Total</u>
December 31, 2016	\$94,846	\$56,955	\$106,360	\$258,161
December 31, 2017	\$98,036	\$57,182	\$109,551	\$264,769
December 31, 2018	\$101,667	\$4,765	\$112,838	\$219,270
December 31, 2019	\$105,918		\$116,223	\$222,141
December 31, 2020	\$110,169		\$79,016	\$189,185
December 31, 2021	\$114,641			\$114,641
December 31, 2022	<u>\$68,501</u>			<u>\$68,501</u>
Total Future Minimum Payments	<u><u>\$693,778</u></u>	<u><u>\$118,902</u></u>	<u><u>\$523,988</u></u>	<u><u>\$1,153,526</u></u>

Rent expense for the year ended December 31, 2015 is \$291,040 and for the year ended December 31, 2014 is \$242,016.

NOTE J – COMMERCIAL LICENSING

During the year ended December 31, 2013 the Organization developed a television commercial and sold the licensing rights of that commercial to other community pregnancy centers for their use, across the country. For the year ended December 31, 2015 total commercial licensing revenue earned is \$1,000 and for the year ended December 31, 2014 is \$500.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE K - SPECIAL EVENTS

The Organization participated in the following special events:

	<u>12/31/2015</u>	<u>Ignite Life</u>	<u>Walk for Life</u>	<u>Total</u>
Revenue		\$167,590	\$108,424	\$276,014
Donor Direct Benefit		<u>(\$20,207)</u>	<u>(\$3,601)</u>	<u>(\$23,808)</u>
Gross proceeds		<u>\$147,383</u>	<u>\$104,823</u>	<u>\$252,206</u>
	<u>12/31/2014</u>	<u>Ignite Life</u>	<u>Walk for Life</u>	<u>Total</u>
Revenue		\$792,759	\$98,820	\$891,579
Donor Direct Benefit		<u>(\$25,037)</u>	<u>(\$5,236)</u>	<u>(\$30,273)</u>
Gross proceeds		<u>\$767,722</u>	<u>\$93,584</u>	<u>\$861,306</u>

NOTE L – RESTRICTIONS ON NET ASSETS

The Organization's temporary restricted net asset activity is as follows:

<u>Description</u>	<u>Beginning</u>	<u>Additions</u>	<u>Released</u>	<u>Ending</u>
Practical Support	\$8,657	\$6,235	\$0	\$14,892
Medical	\$0	\$5,710	(\$2,500)	\$3,210
HOPE/Rachel's Vineyard	\$0	\$1,930	(\$1,930)	\$0
Youth Ed.	\$0	\$1,455	(\$1,455)	\$0
Client Services	\$0	\$890	\$0	\$890
Banquet	\$52,211	\$8,000	(\$60,211)	\$0
Endowment Interest	\$1	\$1	\$0	\$2
Central San Jose Facility	<u>\$35,133</u>	<u>\$62,872</u>	<u>\$0</u>	<u>\$98,005</u>
TOTAL	<u>\$96,002</u>	<u>\$87,093</u>	<u>(\$66,096)</u>	<u>\$116,999</u>

NOTE M – IN-KIND DONATIONS

The Organization received and recorded the following in-kind donations:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Computers		\$17,184
Supplies	\$260	\$3,250
Practical Support	\$12,254	\$36,064
Medical Professionals	<u>\$38,808</u>	<u>\$38,902</u>
Total	<u>\$51,322</u>	<u>\$95,400</u>

In addition, the Organization has volunteers that have donated significant amounts of time for both program services and supporting services. No amount for this time has been recognized in the accompanying financial statements as this volunteer time does not meet the criteria required by generally accepted accounting principles.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE N – RENTAL INCOME

Management has entered into a verbal agreement to lease office space in their Mt View facility to Bethany Christian Services who provides onsite adoption consultation services to any interested Real Options client. Office rental rate is \$585 per month. Total rental income reported for the year ended December 31, 2015 is \$7,020 and for the year ended December 31, 2014 is \$7,605.

NOTE O – SUBSEQUENT EVENTS

Management of the Organization has reviewed the results of its operations for the period of time from yearend, December 31, 2015, through December 5, 2016, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure, except as follows:

On January 15, 2016 the State of California approved management's merger agreement, dated October 26, 2015, for which the Organization acquired another community pregnancy clinic, located in Union City, CA. The Organization started paying the Union City community pregnancy clinic employee salaries and occupancy expenses in November 2015. Cash and other assets, less liabilities are expected to transfer in January 2016 in accordance with the merger agreement.