

CRISIS PREGNANCY CENTERS of SANTA CLARA COUNTY

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Crisis Pregnancy Centers of Santa Clara County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year 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 audit. 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 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 organization'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 organization'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 Crisis Pregnancy Centers of Santa Clara County as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously compiled Crisis Pregnancy Centers of Santa Clara County's December 31, 2013 financial statements. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the compiled financial statements from which it has been obtained.



Pleasanton, California
March 4, 2015

Crisis Pregnancy Centers of Santa Clara County
Statement of Financial Position
At December 31, 2014 with Comparative Summarized Totals at December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014	Summarized 2013
ASSETS					
Cash and cash equivalents	\$988,273	\$60,868		\$1,049,141	\$627,437
Certificates of deposit	103,052			103,052	274,156
Endowment savings	1,000	1	\$10,000	11,001	6,000
Donations receivable	204,496			204,496	105,992
Pledges receivable, net		35,133		35,133	52,234
Prepaid expenses	20,636			20,636	6,209
TOTAL CURRENT ASSETS	1,317,457	96,002	10,000	1,423,459	1,072,028
Deposits	25,551			25,551	17,444
Property and equipment, net	990,377			990,377	430,149
TOTAL ASSETS	\$2,333,385	\$96,002	\$10,000	\$2,439,387	\$1,519,621
LIABILITIES					
Accounts payable	\$174,103			\$174,103	\$36,477
Accrued compensation	34,224			34,224	31,372
TOTAL CURRENT LIABILITIES	208,327			208,327	67,849
NET ASSETS					
Unrestricted	2,124,058			2,124,058	1,241,566
Board designated quasi endowment	1,000			1,000	1,000
Temporarily restricted		\$96,002		96,002	204,205
Permanently restricted			\$10,000	10,000	5,000
TOTAL NET ASSETS	2,125,058	96,002	10,000	2,231,060	1,451,771
TOTAL LIABILITIES & NET ASSETS	\$2,333,385	\$96,002	\$10,000	\$2,439,387	\$1,519,620

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

Crisis Pregnancy Centers of Santa Clara County
Statement of Activities

For the year ended December 31, 2014 with Comparative Summarized Totals for the Year Ended December 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014	Summarized 2013
Support and Revenue					
Support					
Donations	\$761,116	\$671,904	\$5,000	\$1,438,020	\$722,787
In-kind donations	95,400			95,400	132,547
Special events, gross proceeds	861,306			861,306	200,216
Revenue					
Gain / (loss) on asset disposa	(10,304)			(10,304)	460,073
Room rental	7,605			7,605	585
Other revenue, licensing fees	500			500	1,250
Other revenue, refunds	165	1		166	1,775
Interest income	3,872			3,872	6,071
	<u>1,719,660</u>	<u>671,905</u>	<u>5,000</u>	<u>2,396,565</u>	<u>1,525,304</u>
Net assets released from restriction:					
Expiration of donor restrictions	780,108	(780,108)			
Total revenue and support	<u>2,499,768</u>	<u>(108,203)</u>	<u>5,000</u>	<u>2,396,565</u>	<u>1,525,304</u>
Expenses					
Program services					
Prenatal services	1,114,227			1,114,227	938,250
Supporting services					
Management and general	244,931			244,931	217,093
Fund-raising	258,119			258,119	234,124
Total expenses	<u>1,617,277</u>			<u>1,617,277</u>	<u>1,389,467</u>
Changes in net assets	<u>882,491</u>	<u>(108,203)</u>	<u>5,000</u>	<u>779,288</u>	<u>135,837</u>
Net assets at beginning of year	<u>1,242,567</u>	<u>204,205</u>	<u>5,000</u>	<u>1,451,772</u>	<u>1,315,935</u>
Net assets at end 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>

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

Crisis Pregnancy Centers of Santa Clara County
Statement of Functional Expenses

For the year ended December 31, 2014 with Comparative Summarized Totals for the Year Ended December 2013

	Program	Supporting Services		2014	2013
	Prenatal Services	Management & General	Fund - Raising	Total	Summarized
Salaries & wages	\$459,109	\$121,527	\$94,522	\$675,158	\$553,487
Payroll taxes	41,438	10,969	8,531	60,938	51,449
Employee benefits	25,027	6,625	5,153	36,805	37,433
Total salaries and benefits	<u>525,574</u>	<u>139,121</u>	<u>108,206</u>	<u>772,901</u>	<u>642,369</u>
Client outreach / advertising	92,809		52,662	145,471	155,874
Conferences & meetings	32,832			32,832	19,579
Donor cultivation			507	507	8,305
Dues, fees, & other charges		15,536		15,536	22,218
Equipment purchase / lease	3,533	935	727	5,195	11,317
Insurance	7,588	4,054	1,132	12,774	14,433
Interest expense					46,520
Maintenance & repairs	28,813	4,802	686	34,301	3,156
Outside services	61,943	14,502	2,176	78,621	121,326
Postage & delivery	224		3,306	3,530	2,916
Practical support	46,736			46,736	14,072
Printing	2,968		28,339	31,307	26,455
Rent	204,403	33,826	3,787	242,016	154,670
Special events expense			34,197	34,197	31,013
Supplies	7,201	14,170	9,035	30,406	21,577
Telephone & internet	5,069	1,342	1,044	7,455	11,868
Travel	26,657			26,657	36,737
Utilities	2,585	431	62	3,078	6,599
Volunteer/staff appreciation	5,776	458		6,234	2,901
Subtotal before depreciation	<u>1,054,711</u>	<u>229,177</u>	<u>245,866</u>	<u>1,529,754</u>	<u>1,353,905</u>
Depreciation & amortization	59,516	15,754	12,253	87,523	35,562
Total expenses	<u>\$1,114,227</u>	<u>\$244,931</u>	<u>\$258,119</u>	<u>\$1,617,277</u>	<u>\$1,389,467</u>

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

Crisis Pregnancy Centers of Santa Clara County
Statement of Cash Flows

For the year ended December 31, 2014 with Comparative Summarized Totals for the Year Ended December 2013

	Total 2014	Summarized 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$779,288	\$135,837
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation & amortization	87,523	35,562
Interest re-invested in certificates of depos	(3,052)	
Changes in endowment savings	(1)	
 (Increase) decrease in operating assets		
Donations receivable	(98,504)	(105,992)
Pledges receivable, net	17,101	(10,623)
Deposits	(8,107)	(8,094)
Prepays	(14,427)	9,516
Increase (decrease) in operating liabilities:		
Accounts payable	137,626	12,312
Accrued compensation	2,852	21,676
 NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	900,299	90,194
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment additions	(647,751)	287,485
NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	(647,751)	287,485
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchases of endowment investments	(5,000)	(6,000)
Sales of certificates of deposits	174,156	
Purchase of certificates of deposits		(274,156)
Principle payments on mortgages		(612,765)
NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	169,156	(892,921)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	421,704	(515,242)
 BEGINNING CASH AND CASH EQUIVALENTS	627,437	1,142,679
 ENDING CASH AND CASH EQUIVALENTS	\$1,049,141	\$627,437
 Supplemental Information:		
Cash paid for interest expense	\$0	\$43,505

See Independent Accountant's Audit 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 located in Silicon Valley.

NOTE B – PROGRAM SERVICES

The Organization serves hundreds of women each year; providing pregnancy testing, information on abortion, carry-to-term support, adoption information and sexually transmitted disease testing. Real Options is committed to meeting each and every women's physical, emotional and spiritual needs. To that end, Real Options provides physical support in the form of maternity and baby clothing, baby furniture, individual and couples counseling, childbirth classes, prenatal care, post abortion recovery groups and Bible study services. In addition, the Organization has an active youth education program - abstinence education in public and private schools and youth groups.

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, 2013, from which the summarized information was obtained. In addition, certain information has been reclassified to conform to the current year presentation.

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.

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.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. In addition, the Organization has received verbal pledges of \$12,000 which do not meet the requirements for recognition in the financial statements and as such have not been recorded.

Allowance for Doubtful Accounts

Management maintains an allowance on pledges receivable based on specific identification, including analysis of pledge size, donor history and the date the pledge is due. An allowance is not maintained on donations receivable as those 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 to 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 when 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 of the donation, 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 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.

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.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

The Organization advertises its services on billboards, in the yellow pages, on television, in local newspapers and in other media outlets. Advertising costs are expensed as incurred and totaled \$145,471 for the year ended December 31, 2014 and \$161,351 for the year end December 31, 2013.

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.

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.

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.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE D – QUASI ENDOWMENT (continued)

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>12/31/2014</u>	<u>12/31/2013</u>
Savings Account	\$11,001	\$6,000

Changes in endowment fund is as follows:

	<u>12/31/2014</u>	<u>12/31/2013</u>
Beginning of Year Balance	\$6,000	
End of Year Balance	<u>\$11,001</u>	<u>\$6,000</u>
Change in Value	<u>\$5,001</u>	<u>\$6,000</u>

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

	<u>12/31/2014</u>	<u>12/31/2013</u>
Contributions	\$5,000	\$6,000
Interest Income	<u>\$1</u>	<u></u>
Change in Value	<u>\$5,001</u>	<u>\$6,000</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>\$1</u>	<u>\$5,000</u>	<u>\$5,001</u>
End of the year	<u>\$1,000</u>	<u>\$1</u>	<u>\$10,000</u>	<u>\$11,001</u>

NOTE E – CERTIFICATES OF DEPOSIT

Certificates of deposit at December 31, 2014 are \$143,474 and at December 31, 2013 are \$274,156. Certificates of deposit bear interest ranging from .8% to 1% and have a maturity of seven and a half months, 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, 2014 unconditional pledges receivable, \$42,297, are reported net of an allowance for doubtful collection of \$7,164 in the statement of financial position. At December 31, 2013 unconditional pledges receivable, \$54,689, are reported net of an allowance for doubtful collection of \$2,455 in the statement of financial position. Pledges are not discounted to present value as they are all due within one year.

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, 2014, the Organization's uninsured cash balance is \$8,025.

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE H – PROPERTY AND EQUIPMENT

Property, Equipment and related accumulated depreciation is as follows:

	<u>12/31/2014</u>	<u>12/31/2013</u>
Equipment & Furniture	\$215,757	\$216,142
Building Improvements	<u>\$930,320</u>	<u>\$340,275</u>
Total Property & Equipment	\$1,146,077	\$556,417
Accumulated Depreciation	<u>(\$155,700)</u>	<u>(\$126,268)</u>
Property & Equipment, net	<u><u>\$990,377</u></u>	<u><u>\$430,149</u></u>

Depreciation expense for the year ending December 31, 2014 is \$87,523 and for the year ending December 31, 2013 is \$35,562.

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>
December 31, 2015	\$91,660	\$54,459	\$103,262
December 31, 2016	\$94,846	\$56,955	\$106,360
December 31, 2017	\$98,036	\$57,182	\$109,551
December 31, 2018	\$101,667	\$4,765	\$112,838
December 31, 2019	\$105,918		\$116,223
December 31, 2020	\$110,169		\$79,016
December 31, 2021	\$114,641		
December 31, 2022	<u>\$68,501</u>		
Total Future Minimum Payments	<u><u>\$785,438</u></u>	<u><u>\$173,361</u></u>	<u><u>\$627,250</u></u>

For the year ended December 31, 2014 rent expense is \$242,016 and for the year ended December 31, 2013 rent expense is \$154,670.

NOTE J - SPECIAL EVENTS

The Organization participates in the following special events:

	<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>
	<u>12/31/2013</u>	<u>Ignite Life</u>	<u>Walk for Life</u>	<u>Total</u>
Revenue		\$140,121	\$85,933	\$226,054
Donor Direct Benefit		<u>(\$21,519)</u>	<u>(\$4,319)</u>	<u>(\$25,838)</u>
Gross proceeds		<u>\$118,602</u>	<u>\$81,614</u>	<u>\$200,216</u>

CRISIS PREGNANCY CENTERS OF SANTA CLARA COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE K – 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	\$13,724	\$5,605	(\$10,672)	\$8,657
Medical		\$4,070	(\$4,070)	\$0
HOPE/Rachel's Vineyard		\$21,847	(\$21,847)	\$0
Youth Ed.	\$560	\$1,450	(\$2,010)	\$0
Client Services		\$2,015	(\$2,015)	\$0
Banquet	\$20,431	\$78,750	(\$99,181)	\$0
Mountain View Facility	\$36,730	\$700	(\$37,430)	\$0
Central San Jose Facility	\$80,526	\$545,157	(\$573,472)	\$52,211
Client Gifts		\$12,310	(\$12,310)	\$0
Endowment Earnings		\$1		\$1
Pledges Receivable	<u>\$52,234</u>		<u>(\$17,101)</u>	<u>\$35,133</u>
TOTAL	<u>\$204,205</u>	<u>\$671,905</u>	<u>(\$780,108)</u>	<u>\$96,002</u>

NOTE L – GAIN / (LOSS) ON ASSET DISPOSALS

During the year ended December 31, 2014 management moved their South San Jose administrative and program facility to Central San Jose and in doing so disposed a photocopier and some furniture, which resulted in a loss of \$10,304. During the year ended December 31, 2013 management sold their Mt View facility for \$1,140,000 and reported a net gain on sale of \$460,073.

NOTE M – 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. Total revenue earned is \$500 for the year ended December 31, 2014 and is \$1,250 for the year ended December 31, 2013.

NOTE N – IN-KIND DONATIONS

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

	<u>12/31/2014</u>	<u>12/31/2013</u>
Computers	\$17,184	\$17,292
Supplies	\$3,250	\$1,755
Construction Management		\$30,225
Practical Support	\$36,064	\$13,131
Medical Professionals	<u>\$38,902</u>	<u>\$70,144</u>
Total	<u>\$95,400</u>	<u>\$132,547</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 O – 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, 2014 is \$7,605 and for the year ended December 31, 2013 is \$585.

NOTE P – RELATED PARTIES

The Organization's Chairman of the Board is married to the Organization's Prayer Chairman.

NOTE Q – SUBSEQUENT EVENTS

Management of the Organization has reviewed the results of operations for the period of time from its year end, December 31, 2014, through March 4, 2015, 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.