

REAL OPTIONS, formerly Crisis Pregnancy Centers of Santa Clara County

REVIEWED FINANCIAL STATEMENTS

DECEMBER 31, 2016

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of Real Options, formerly Crisis Pregnancy Centers of Santa Clara County:

We have reviewed the accompanying statement of financial position of Real Options, formerly Crisis Pregnancy Centers of Santa Clara County (a California Nonprofit Public Benefit Corporation) as of December 31, 2016, 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 Organization's December 31, 2015 financial statements, which were reviewed by us, and our report dated December 5, 2016 stated that we were not aware of any material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Deborah K. Daly, CPA
October 13, 2017

Crisis Pregnancy Centers of Santa Clara County
Statement of Financial Position
At December 31, 2016 with Comparative Summarized Totals at December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016	Summarized 2015
ASSETS					
Cash and cash equivalents	\$423,260	\$83,597		\$506,857	\$813,370
Certificates of deposit	25,535			25,535	140,484
Endowments	31,869	3	\$10,000	41,872	11,002
Donations receivable	6,379			6,379	12,182
Pledges receivable, net		133,337		133,337	98,005
Prepaid expenses	42,356			42,356	37,545
TOTAL CURRENT ASSETS	529,399	216,937	10,000	756,336	1,112,588
Deposits	17,015			17,015	14,551
Property and equipment, net	731,542			731,542	849,192
TOTAL ASSETS	\$1,277,956	\$216,937	\$10,000	\$1,504,893	\$1,976,331
LIABILITIES					
Accounts payable	\$8,012			\$8,012	\$1,596
Accrued compensation	68,095			68,095	58,995
TOTAL CURRENT LIABILITIES	76,107			76,107	60,591
NET ASSETS					
Unrestricted	1,201,849			1,201,849	1,787,741
Temporarily restricted		\$216,937		216,937	116,999
Permanently restricted			\$10,000	10,000	10,000
TOTAL NET ASSETS	1,201,849	216,937	10,000	1,428,786	1,915,740
TOTAL LIABILITIES & NET ASSETS	\$1,277,956	\$216,937	\$10,000	\$1,504,893	\$1,976,331

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, 2016 with Comparative Summarized Totals for the Year Ended December 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016	Summarized 2015
Support and Revenue					
Support					
Donations	\$1,379,665	\$132,182		\$1,511,847	\$1,423,309
In-kind donations	80,646			80,646	51,322
Special events	379,340			379,340	252,206
Revenue					
Room rental	6,435			6,435	7,020
Program fees	16,408			16,408	
Other revenue	369			369	1,111
Investment income	1,149	2,547		3,696	3,045
	<u>1,864,012</u>	<u>134,729</u>		<u>1,998,741</u>	<u>1,738,013</u>
Net assets released from restrictions:					
Expiration of donor restrictions	63,114	(63,114)			
Total revenue and support	<u>1,927,126</u>	<u>71,615</u>		<u>1,998,741</u>	<u>1,738,013</u>
Expenses					
Program services					
Prenatal services	1,704,709			1,704,709	1,400,618
Supporting services					
Management and general	423,772			423,772	299,877
Fund-raising	458,913			458,913	352,838
Total expenses	<u>2,587,394</u>			<u>2,587,394</u>	<u>2,053,333</u>
Changes in net assets	<u>(660,268)</u>	<u>71,615</u>		<u>(588,653)</u>	<u>(315,320)</u>
Net assets at beginning of year	1,788,741	116,999	10,000	1,915,740	2,231,060
Organization acquisition	73,376	28,323		101,699	
Net assets at end of year	<u>\$1,201,849</u>	<u>\$216,937</u>	<u>\$10,000</u>	<u>\$1,428,786</u>	<u>\$1,915,740</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, 2016 with Comparative Summarized Totals for the Year Ended December 2015

	Program	Supporting Services		2016	2015
	Prenatal Services	Management & General	Fund - Raising	Total	Summarized
Salaries & wages	\$782,417	\$207,110	\$161,086	\$1,150,613	\$888,879
Payroll taxes	68,493	18,131	14,102	100,726	76,305
Employee benefits	54,975	14,552	11,318	80,845	53,591
Total salaries and benefits	905,885	239,793	186,506	1,332,184	1,018,775
Client outreach / advertising	233,302		7,825	241,127	209,318
Conferences & meetings	30,008	1,586		31,594	31,171
Dues, fees, & other charges	4,775	41,106		45,881	15,329
Equipment purchase / lease	1,084	287	223	1,594	650
In-kind donations	80,646			80,646	51,322
Insurance	9,538	2,524	1,963	14,025	15,228
Maintenance & repairs	8,260	2,186	1,701	12,147	6,260
Outside services	17,505	29,788	2,705	49,998	34,880
Postage & delivery			3,834	3,834	3,646
Practical support	83			83	752
Printing			8,305	8,305	8,062
Rent	216,217	57,234	44,515	317,966	291,040
Special events expense			127,922	127,922	101,774
Supplies	30,702	5,042	39,092	74,836	61,205
Telephone & internet	7,855	2,178	1,617	11,650	8,260
Travel	10,971	2,904	2,259	16,134	10,208
Utilities	4,897	1,296	1,008	7,201	3,508
Volunteer/staff appreciation	17,911	4,741	3,688	26,340	10,246
Subtotal before depreciation	1,579,639	390,665	433,163	2,403,467	1,881,634
Depreciation & amortization	125,070	33,107	25,750	183,927	171,699
Total expenses	\$1,704,709	\$423,772	\$458,913	\$2,587,394	\$2,053,333

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, 2016 with Comparative Summarized Totals for the Year Ended December 2015

	Total 2016	Summarized 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	(\$588,653)	(\$315,320)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation & amortization	183,927	171,699
Interest re-invested in certificates of deposit	(51)	(3,432)
Realized and unrealized changes in endowments	(2,547)	(1)
Organization acquisition, net assets	101,699	
 (Increase) decrease in operating assets		
Donations receivable	5,803	192,314
Pledges receivable, net	(35,332)	(62,872)
Deposits	(2,464)	11,000
Prepays	(4,811)	(16,909)
Increase (decrease) in operating liabilities		
Accounts payable	6,416	(172,507)
Accrued compensation	9,100	24,771
 NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES	(326,913)	(171,257)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment additions	(66,277)	(30,514)
 NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	(66,277)	(30,514)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions into endowment assets	(28,323)	
Redemptions / (purchases) of certificates of deposits	115,000	(34,000)
 NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	86,677	(34,000)
 NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(306,513)	(235,771)
BEGINNING CASH AND CASH EQUIVALENTS	813,370	1,049,141
ENDING CASH AND CASH EQUIVALENTS	\$506,857	\$813,370

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

REAL OPTIONS, formerly Crisis Pregnancy Centers of Santa Clara County
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Real Options (Organization) formerly known as Crisis Pregnancy Centers of Santa Clara County is a community-based non-profit health and welfare Organization, incorporated in California in 1981. On June 22, 2016 Real Options restated Articles of Incorporation were approved by the Secretary of the State of California and, on that date, the name of the Organization changed from Crisis Pregnancy Centers of Santa Clara County to Real Options. Real Options is a pro-life counseling ministry and medical clinic, with four operating sites: Central San Jose, East San Jose, Mountain View and Union City.

On January 16, 2016 the board of directors approved the acquisition of a pro-life medical clinic located in Union City, Pregnancy Choices Clinic. The acquisition will expand services by ensuring a pro-life medical clinic operates in Union City. The following assets and liabilities were transferred on January 16, 2016:

<u>Description</u>	<u>Total</u>
Cash	\$38,199
Endowments at Community Foundation	\$28,323
Facility Lease Deposit	\$2,464
Equipment and Furniture, net	\$33,154
Accrued Expenses	<u>(\$441)</u>
Resulting Net Assets Transferred	<u>\$101,699</u>

NOTE B – PROGRAM SERVICES

Real Options is recognized for its quality of care since 1981. The Organization provides consultations, professional medical services, materials for women and infants, men, students and families who are 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, which ultimately, positively impacts thousands of individuals and families each year.

Real Options serves over two thousand women each year; providing pregnancy testing, carry-to-term support, adoption information, ultrasound imaging, prenatal care, abortion pill reversal and testing for sexually transmitted diseases. 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, post abortion recovery groups and bible study services. The Organization has an active youth program, abstinence education in public and private schools.

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

REAL OPTIONS, formerly Crisis Pregnancy Centers of Santa Clara County
NOTES TO FINANCIAL STATEMENTS

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2015, from which the summarized information was obtained. Certain prior year information has been reclassified to conform to the current year presentation.

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 consideration of pledge size, donor history and 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 additions are reported as unrestricted unless the donor has restricted the asset for a specific purpose. Property and equipment is depreciated using the straight-line method. The Organization's threshold for capitalizing its property and 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 awarded.

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 temporarily restricted net assets and reclassified to unrestricted net assets as donor restrictions are met.

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 \$241,127 for the year ended December 31, 2016 and \$209,138 for the year ended December 31, 2015.

REAL OPTIONS, formerly Crisis Pregnancy Centers of Santa Clara County
NOTES TO FINANCIAL STATEMENTS

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind Contributions

Contributions in-kind are recognized as follows: donated goods are recorded at their estimated fair value when donated, contributed services - which require a specialized skill and which the Organization would have paid for if not donated, are recorded at 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 programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated across functional areas based on employee work assignments, as estimated by management.

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 Board 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, 2013 through December 31, 2015 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 based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date. Level 2 – Values are based on prices for similar assets or liabilities in active markets, from those willing to trade in markets that are not active, or using other inputs that are observable or can be corroborated by market data for the term of the instrument. Level 3 – Values are unobservable (supported by little or no market activity) and significant to the fair value measurement and 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 assets measured at fair values are as follows:

	<u>12/31/2016</u>	<u>Level</u>
Certificate of Deposit	\$25,535	2
Endowment, Savings	\$11,003	1
Endowment, Community Foundations	\$30,869	3

NOTE D – CERTIFICATES OF DEPOSIT

Certificate of deposit at December 31, 2016 is \$25,535 and at December 31, 2015 is \$140,484. Certificate of deposit bears interest at .4% and matures May 2017, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

REAL OPTIONS, formerly Crisis Pregnancy Centers of Santa Clara County
NOTES TO FINANCIAL STATEMENTS

NOTE E – QUASI ENDOWMENT

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).

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. In addition, during the year ending December 31, 2016 the Organization acquired a smaller nonprofit organization that had an endowment fund held at a local community foundation. The total acquired at January 16, 2016 is \$28,323. Management considers the community foundation endowment to be temporarily restricted.

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.

Strategies Employed for Achieving Objectives

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

Changes in endowment fund are as follows:

	<u>12/31/2016</u>	<u>12/31/2015</u>
Beginning of Year Balance	\$11,002	\$11,001
End of Year Balance	<u>\$41,872</u>	<u>\$11,002</u>
Change in Value	<u>\$30,870</u>	<u>\$1</u>

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

	<u>12/31/2016</u>	<u>12/31/2015</u>
Acquisition transfer	\$28,323	
Investment Income	\$2,546	
Interest Income	<u>\$1</u>	<u>\$1</u>
Change in Value	<u>\$30,870</u>	<u>\$1</u>

REAL OPTIONS, formerly Crisis Pregnancy Centers of Santa Clara County
NOTES TO FINANCIAL STATEMENTS

NOTE E – QUASI ENDOWMENT (continued)

Endowment fund positions are as follows:

	<u>12/31/2016</u>	<u>12/31/2015</u>
Savings Account	\$11,003	\$11,002
Community Foundations	\$30,869	
Total Positions	\$41,872	\$11,002

Endowment fund by restriction:

	Unrestricted	Temporarily	Permanently	<u>12/31/2016</u>
Endowment Savings	\$1,000	\$3	\$10,000	\$11,003
Endowment Community Foundation		\$30,869		\$30,869
Total	\$1,000	\$30,872	\$10,000	\$41,872
	Unrestricted	Temporarily	Permanently	<u>12/31/2015</u>
Endowment Savings	\$1,000	\$2	\$10,000	\$11,002

NOTE F – PLEDGES RECEIVABLE

At December 31, 2016 unconditional pledges receivable, \$148,151, are reported net of an allowance for doubtful collection of \$14,814 in the statement of financial position. 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. 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.

NOTE H – PROPERTY AND EQUIPMENT

Property, Equipment and related accumulated depreciation is as follows:

	<u>12/31/2016</u>	<u>12/31/2015</u>
Equipment & Furniture	\$434,430	\$246,271
Building Improvements	\$930,320	\$930,320
Total Property & Equipment	\$1,364,750	\$1,176,591
Accumulated Depreciation	(\$633,208)	(\$327,399)
Property & Equipment, net	\$731,542	\$849,192

Depreciation, for the year ending December 31, 2016 is \$183,927 and for the year ending December 31, 2015 is \$171,699.

REAL OPTIONS, formerly Crisis Pregnancy Centers of Santa Clara County
NOTES TO FINANCIAL STATEMENTS

NOTE I – LEASES

The organization has four non-cancelable operating facility lease agreements: East San Jose, Central San Jose, Mt View and Union City. Future minimum lease payments, under these lease agreements, are as follows:

	<u>CSJ Facility</u>	<u>ESJ Facility</u>	<u>Mt View</u>	<u>Union City</u>	<u>Total</u>
December 31, 2017	\$98,036	\$57,182	\$109,551	\$35,420	\$300,189
December 31, 2018	\$101,667	\$4,765	\$112,838	\$30,000	\$249,270
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	\$68,501				\$68,501
Total	<u>\$598,932</u>	<u>\$61,947</u>	<u>\$417,628</u>	<u>\$65,420</u>	<u>\$1,143,927</u>

Rent for the year ended December 31, 2016 is \$317,966 and for the year ended December 31, 2015 is \$291,040.

NOTE J – 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	\$14,892	\$4,839		\$19,731
Medical	\$3,210	\$8,110		\$11,320
HOPE Retreat		\$1,140	(\$1,140)	\$0
Youth Education		\$1,250	(\$1,250)	\$0
Client Services	\$890	\$1,670	(\$2,560)	\$0
Banquet		\$75,173	(\$58,164)	\$17,009
Ultrasound Equipment		\$40,000		\$40,000
Endowment Interest	\$2	\$2,547		\$2,549
Endowment Transfer		\$28,323		\$28,323
San Jose Facility	\$98,005			\$98,005
TOTAL	<u>\$116,999</u>	<u>\$163,052</u>	<u>(\$63,114)</u>	<u>\$216,937</u>

NOTE K – IN-KIND DONATIONS

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

	<u>12/31/2016</u>	<u>12/31/2015</u>
Supplies		\$260
Practical Support	\$10,829	\$12,254
Medical Professionals	\$69,817	\$38,808
Total	<u>\$80,646</u>	<u>\$51,322</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.

REAL OPTIONS, formerly Crisis Pregnancy Centers of Santa Clara County
NOTES TO FINANCIAL STATEMENTS

NOTE L – 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, 2016 is \$6,435 and for the year ended December 31, 2015 is \$7,020.

NOTE M – SUBSEQUENT EVENTS

Management of the Organization has reviewed the results of its operations for the period of time from yearend, December 31, 2016, through October 13, 2017, 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.