San Francisco Child Abuse Prevention Center

Financial Statements
Years Ended December 31, 2010 and 2009

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Contents

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Independent Auditors' Report

To the Board of Directors
San Francisco Child Abuse Prevention Center
San Francisco, California

We have audited the accompanying statement of financial position of San Francisco Child Abuse Prevention Center (the "Center", a California non-profit benefit corporation) as of December 31, 2010 and the related statements of activity, changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Center as of and for the year ended December 31, 2009 were audited by other auditors whose report dated June 28, 2010, expressed an unqualified opinion on those statements.

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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2010 financial statements referred to above present fairly, in all material respects, the financial position of San Francisco Child Abuse Prevention Center at December 31, 2010 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP

September 12, 2011

Financial Statements

San Francisco Child Abuse Prevention Center

Statements of Financial Position
December 31, 2010 with Comparative Totals for December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Total	2009 Total
Assets					
Current Assets:					
Cash and cash equivalents	$ 1,052,473	$ 420,249	$ -	$ 1,472,722	$ 1,177,381
Grants & contracts receivable (Note 2)	355,527	86,489	-	442,016	380,150
Pledges receivable (Note 2)	53,846	-	-	53,846	46,765
Prepaid expenses	52,820	-	-	52,820	57,621
Total current assets	1,514,666	506,738	-	2,021,404	1,661,917
Non-Current Assets:					
Cash & cash equivalents - Building Maintenance Fund (Note 10)	155,119	-	10,000	165,119	165,000
Investments - Building Maintenance Fund (Note 3, 7, 10)	254,409	-	-	254,409	252,757
Property & equipment, net (Note 4)	2,266,561	-	-	2,266,561	2,266,276
Total non-current assets	2,676,089	-	10,000	2,686,089	2,684,033
Total Assets	$ 4,190,755	$ 506,738	$ 10,000	$ 4,707,493	$ 4,345,950
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable	$ 122,868	$ -	$ -	$ 122,868	$ 117,682
Accrued vacation	102,768	-	-	102,768	90,810
Deferred revenue	11,607	-	-	11,607	19,756
Total Liabilities	237,243	-	-	237,243	228,248
Net Assets					
Unrestricted	3,543,984	-	-	3,543,984	3,289,630
Unrestricted - Building Maintenance Fund (Note 10)	409,528	-	-	409,528	407,757
Temporarily restricted (Note 5)	-	506,738	-	506,738	410,315
Permanently restricted (Note 7)	-	-	10,000	10,000	10,000
Total Net Assets	3,953,512	506,738	10,000	4,470,250	4,117,702
Total Liabilities and Net Assets	$ 4,190,755	$ 506,738	$ 10,000	$ 4,707,493	$ 4,345,950

See accompanying independent auditors' report and notes to financial statements.

San Francisco Child Abuse Prevention Center

Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2010 with Comparative Totals for December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Total	2009 Total
Support & Revenue:					
Government grants	$ 1,417,859	$ 15,574	$ -	$ 1,433,433	$ 1,525,557
Foundation & corporate grants	758,223	733,189	-	1,491,412	912,102
Donations	241,218	67,174	-	308,392	366,183
Net assets released from restriction:					
Satisfaction of donor requirements (Note 6)	730,514	(730,514)	-	-	-
In-kind revenue	59,596	10,000	-	69,596	60,158
Fundraising events, net of direct donor benefits of $30,035 in 2010 and $39,201 in 2009	237,026	1,000	-	238,026	277,594
Program service fees	11,013	-	-	11,013	11,361
Interest & dividends	3,165	-	-	3,165	15,075
Other income	2,271	-	-	2,271	8,725
Total Revenue & Support	3,460,885	96,423	-	3,557,308	3,176,755
Expenses:					
Program service					
Family Support	1,119,500	-	-	1,119,500	995,981
Safe Start	719,959	-	-	719,959	715,231
Education & Training	241,237	-	-	241,237	312,305
TALK Line	298,406	-	-	298,406	279,624
Child Advocacy Center	22,053	-	-	22,053	-
Partners in Prevention	32,881	-	-	32,881	-
Subtotal - Programs	2,434,036	-	-	2,434,036	2,303,141
Administration	447,595	-	-	447,595	266,365
Fundraising	323,129	-	-	323,129	265,344
Total Expenses	3,204,760	-	-	3,204,760	2,834,850
Change in Net Assets	256,125	96,423	-	352,548	341,905
Net Assets, January 1st	3,697,387	410,315	10,000	4,117,702	3,775,797
Net Assets, December 31st	$ 3,953,512	$ 506,738	$ 10,000	$ 4,470,250	$ 4,117,702

See accompanying independent auditors' report and notes to financial statements.

San Francisco Child Abuse Prevention Center

Statements of Functional Expenses
For the Year Ended December 31, 2010 with Comparative Totals for December 31, 2009

	PROGRAMS										
	Family Support	SafeStart	Education & Training	TALK Line	Child Advocacy Center	Partners in Prevention	Total Programs	Administration	Fundraising	2010 Total	2009 Total
Salaries	$ 638,820	$ 197,717	$ 163,738	$ 196,757	$ 15,043	$ 1,289	$ 1,213,364	$ 209,329	$ 125,981	$ 1,548,674	$ 1,381,412
Payroll taxes	56,516	15,519	12,796	16,148	1,064	84	102,127	17,653	9,756	129,536	113,407
Benefits	115,492	22,396	21,526	36,919	920	215	197,468	14,901	11,306	223,675	218,729
Subcontractors	-	403,397	-	-	-	-	403,397	-	-	403,397	394,723
Stipends	24,400	-	-	-	-	-	24,400	-	-	24,400	20,700
Consultants	108,728	35,632	23,228	18,633	827	353	187,401	50,992	114,047	352,440	263,538
Accounting & audit	-	-	-	-	-	-	-	55,748	-	55,748	52,497
Legal	251	51	40	46	1,812	15,367	17,567	20,924	35	38,526	-
Occupancy	19,265	3,586	1,622	1,967	167	12	26,619	2,104	1,262	29,985	28,345
Maintenance & janitorial	15,190	3,272	2,936	3,418	210	24	25,050	4,135	2,129	31,314	37,611
Telephone	6,309	2,713	1,549	8,415	141	12	19,139	2,925	1,594	23,658	20,710
Postage & delivery	868	287	250	268	13	1	1,687	311	11,383	13,381	13,063
Supplies & equipment	8,847	17,198	2,066	2,279	47	(5)	30,432	1,938	9,247	41,617	66,627
Printing & copying	526	2,083	388	158	17	10,217	13,389	259	15,768	29,416	26,696
Client support	67,773	-	-	-	-	-	67,773	-	-	67,773	55,011
Program supplies	13,142	1,824	1,156	1,545	34	3,692	21,393	532	1,807	23,732	22,426
Staff development	5,851	873	344	249	26	5	7,348	18,206	2,921	28,475	6,656
Staff appreciation	2,026	612	613	1,341	107	-	4,699	1,112	826	6,637	4,011
Travel	509	290	437	-	98	-	1,334	239	179	1,752	1,645
Conferences & meetings	-	2,124	-		395	1,500	4,019	-	79	4,098	4,599
Dues & subscriptions	1,452	113	77	23	396	55	2,116	962	2,132	5,210	5,135
Insurance	6,110	1,873	1,537	1,864	135	11	11,530	4,346	1,195	17,071	17,872
Board Expenses	-	-	-	-	-	-	-	29,409	88	29,497	-
Bank charges	-	-	-	-	-	-	-	-	5,956	5,956	7,351
Interest Expense	660	168	130	196	26	4	1,184	227	127	1,538	-
Depreciation	26,495	8,143	6,720	8,095	574	45	50,072	8,593	5,184	63,849	62,950
Other	270	88	84	85	1	-	528	2,750	127	3,405	9,136
Total Expenses	$ 1,119,500	$ 719,959	$ 241,237	$ 298,406	$ 22,053	$ 32,881	$ 2,434,036	$ 447,595	$ 323,129	$ 3,204,760	$ 2,834,850

See accompanying independent auditors' report and notes to financial statements.

San Francisco Child Abuse Prevention Center

Statements of Cash Flows
For the Year Ended December 31, 2010
with Comparative Totals for the Year Ended December 31, 2009

	2010	2009
Cash Flows from Operating Activities		
Change in net assets	**$ 352,548**	$ 341,905
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	**63,849**	62,950
Non-cash interest income	**(1,771)**	(271)
Changes in assets and liabilities:		
Decrease (increase) in grants & contracts receivable	**(61,866)**	148,869
Decrease (increase) in pledges receivable	**(7,081)**	(1,344)
Decrease (increase) in prepaid expenses	**4,801**	(22,637)
Increase (decrease) in accounts payable	**5,186**	20,256
Increase (decrease) in accrued vacation	**11,958**	2,918
Increase (decrease) in deferred revenue	**(8,149)**	(6,592)
Cash Provided by Operating Activities	**359,475**	546,054
Cash Flows from Investing Activities:		
Withdrawals from (additions to) long-term building reserve	**-**	(16,506)
Purchase of fixed assets	**(64,134)**	(39,035)
Cash Used in Investing Activities	**(64,134)**	(55,541)
Increase in Cash and Cash Equivalents	**295,341**	490,513
Cash and Cash Equivalents balance at January 1st	**1,177,381**	686,868
Cash and Cash Equivalents balance at December 31st	**$ 1,472,722**	$ 1,177,381

See accompanying independent auditors' report and notes to financial statements.

1. Organization

Nature of Activities

San Francisco Child Abuse Prevention Center (the Center) is a community-based nonprofit organization established in 1973 dedicated to ending child abuse and neglect. Exempt from income taxes under Internal Revenue Code Section 501 (c)(3), and section 23701 (d) of the California Revenue and Taxation Code, the Center is governed by a 28-member Board of Directors. The Center provides services directly to families and children, educates the community, and coordinates and advocates for system improvements. Programs include:

Family Support – The Center's direct services include a parent drop-in program, substance abuse recovery services, parent and child counseling and therapy, job finding assistance, and respite care for parents needing child care help. The Children's Playroom provides therapeutic care for children and supports the Center's other programs by offering no-cost childcare while parents are on site receiving services.

SafeStart Initiative – The Center leads a city-wide effort to reduce the effects of violence on young children, mitigate risk factors such as alcohol and drug dependency, and foster the ability to overcome negative experiences and thrive.

Education and Training – The Center provides Mandated Reporter training to professionals serving children, instructing them on how to identify and report suspected abuse and neglect. In addition, the Child Safety Awareness program trains elementary school children in safety issues and how to avoid and report abduction and abuse.

TALK Line (415.441.KIDS) - Trained volunteers handle more than 13,500 calls every year from parents and caregivers in crisis. The TALK Line operates 24 hours a day, 7 days a week, 365 days a year, and has provided service virtually uninterrupted for 35 years.

Child Advocacy Center – The Center is leading a citywide effort to create a fully accredited Child Advocacy Center (CAC). Based upon a national best-practice model, the CAC will be designed as child-friendly and appropriate facilities where multi-disciplinary teams respond to incidents of child sexual abuse, physical abuse, and exposure to domestic violence. The Center anticipates opening doors for services during 2012. See Note 11.

Center for Youth Wellness – The Center is partnering with California Pacific Medical Center (CPMC)'s Bayview Child Health Center, the Lucile Packard Children's Hospital's Early Life Stress Program through Stanford University, and the District Attorney's Office, to create the Center for Youth Wellness (CYW), which will focus on primary care and prevention services for high-needs children and families with multiple risk factors for abuse, but who have not yet entered the system. The CAC and CYW will be co-located together in one building to leverage services. See Note 11.

Funding

A significant portion of the Center's funding is received from government grants awarded by the City & County of San Francisco. The Center also receives a substantial amount of support from foundations, corporations and individuals.

2. Summary of Significant Accounting Policies

Method of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting which is in accordance with generally accepted accounting principles in the United States of America (US GAAP) and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

> **Unrestricted net assets**, which includes resources not subject to donor-imposed restrictions.
>
> **Temporarily restricted net assets**, which includes resources subject to donor-imposed stipulations that may or will be met either by actions of San Francisco Child Abuse Prevention Center and/or the passage of time.
>
> **Permanently restricted net assets**, which includes resources subject to donor-imposed restrictions that require permanent investment by the Center.

Accounting for Restricted Support

The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 restriction.

The Center reports gifts of fixed assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service.

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. Significant estimates made by the Center include useful lives of property and equipment, valuation of grants, contracts and pledges receivable, and valuation of in-kind revenues.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less, including money market accounts. The Center's accounts are maintained at financial institutions and, at times, balances may exceed the federally insured limits. The Center has never experienced any losses related to these balances. All of the non-interest bearing cash balances were fully insured at December 31, 2010 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning 2013, insurance coverage will revert back to $250,000 per depositor at each financial institution and the non-interest bearing cash balances may again exceed federally insured limits.

Investments - other

Investments consist of certificates of deposit with original maturities greater than three months and remaining maturities less than one year.

Grants Receivable

Grants receivable include amounts committed by donors but which have not yet been received by the Organization. All grants receivable are due within one year.

Contracts Receivable

Contracts receivable include amounts invoiced under various governmental contracts for services performed during the year. Based on management's judgment, no allowance for doubtful accounts is deemed necessary.

Pledges Receivable

Pledges receivable are recorded when pledges are made. All pledges are due within one year.

Property and Equipment

Property and equipment are stated at cost. Capitalized donated items are stated at their estimated fair value at the date of the gift. Items with an initial cost or estimated fair value of at least $1,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 30 years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

Fair Value Measurements

The Center considers fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value are either observable or unobservable. Observable inputs reflect assumptions that market participants would use in pricing an asset or liability based on market data obtained from independent sources, while unobservable inputs reflect a reporting entity's pricing based on their own market assumptions. The Center utilizes the following three-level fair value hierarchy to establish the priorities of the inputs used to measure fair value:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis

The following table represents the fair value hierarchy for the financial assets and liabilities held by the Center measured at fair value on a recurring basis as of December 31, 2010:

As of December 31, 2010	**Level 1**	**Level 2**	**Level 3**
Assets:			
Money market funds (a)	$ 881,794	$ -	$ -
Total	$ 881,794	$ -	$ -

(a) $716,175 included as cash equivalents and $165,619 as cash equivalents - building maintenance fund, of which $10,000 is permanently restricted.

Fair Value of Other Financial Instruments

The carrying amounts of the Center's other financial instruments, which include accounts receivable, accounts payable and other accrued expenses, approximate their fair values due to their short maturities.

Assets Measured and Recorded at Fair Value on a Nonrecurring Basis

The Center determines fair value of long-lived assets held and used, such as fixed assets, by reference to independent appraisals, quoted market prices (e.g. an offer to purchase) and other factors. An impairment charge is recorded when the carrying value of the asset exceeds its fair value. There were no impairment charges recorded in the periods presented.

Functional Expenses

The Center allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly. Indirect expenses are allocated according to a formula based on the relative amount of staff time spent on the particular function.

Revenue Concentration

The Center received 40% of its unrestricted revenue and support from the City & County of San Francisco in 2010. Should this grantor reduce its level of support, the Center could be required to reduce the level of activity of some of its programs.

Prior Year Totals

Prior year totals are presented for comparative purposes only. For a full presentation of 2009, please refer to the 2009 financial statements that were audited by other auditors whose report dated June 28, 2010, expressed an unqualified opinion on those statements.

Reclassifications

Certain prior year balances have been reclassified to conform to current year presentation. These reclassifications had no impact on previously reported change in net assets or cash flows.

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06, "Improving Disclosures about Fair Value Measurements." This standard requires new disclosures on the amount and reason for transfers in and out of Level 1 and 2 recurring fair value measurements. The standard also requires disclosure of activities, on a gross basis, including purchases, sales, issuances and settlements, in the reconciliation of Level 3 fair value recurring measurements. The standard clarifies existing disclosure requirements on levels of disaggregation and disclosures about inputs and valuation techniques. The new disclosures regarding Level 1 and 2 fair value measurements and clarification of existing disclosures became effective for the Center's 2010 year and did not have a material impact on the Center's financial statements. The disclosures regarding the reconciliation of information in Level 3 recurring fair value measurements are required for the Center's 2011 year and as this guidance is only disclosure

3. Tax Status

The Center has received determination letters from the Internal Revenue Service (IRS) and the CA State Board of Equalization indicating that it is not subject to income tax on its exempt activities under Section 501 (c)(3) of the Internal Revenue Code and section 23701 (d) of the California Revenue and Taxation Code, respectively. The Center had no sources of unrelated business income during the years ended December 31, 2010 and 2009.

The Center adopted Accounting Standards Codification (ASC) 740-10, "Accounting for Uncertainty in Income Taxes," on January 1, 2009. Under ASC 740-10, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely than not that the position will be sustained. The implementation of ASC 740-10 had no impact on the Center's financial statements.

The Center does not believe there are any material uncertain tax positions and; accordingly, has not recognized any liability for unrecognized tax benefits. The Center has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Center has filed IRS Form 990 tax returns as required and all applicable returns in those jurisdictions where it is required. The Center believes that it is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2007. However, the Center is still open to examinations by tax authorities from fiscal year 2007 forward. No interest or penalties were accrued as of January 1, 2009, as a result of the adoption of ASC 740-10. For the year ended December 31, 2010, there were no interest or penalties recorded in the statements of activities.

4. Property and Equipment

Land	$	847,300
Building		1,447,328
Furnishings and equipment		98,325
Construction in progress – Waller Street		92,659
		2,485,612
Less: accumulated depreciation		(219,051)
Property and equipment, net	$	2,266,561

Depreciation and amortization expense for year ended December 31, 2010 was $63,849.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets represent grants and donations to the Center which have been restricted for a specific purpose or time period as follows:

Child Advocacy Center	$	349,315
General Support for 2011		62,500
Respite Care		51,187
Support Center Renovation		10,000
Electrical and Safety Upgrades		8,851
Website		8,327
Playroom		6,666
Family Support		6,666
Partners in Prevention		766
Other		2,460
Total temporarily restricted net assets at December 31, 2010	$	506,738

6. Net Assets Released from Restriction

During the year, donor restrictions were satisfied and previously temporarily restricted amounts were released from restriction and spent as follows:

Program expansion	$	125,000
Child Abuse Council		111,800
General Support for 2010		73,500
Staff Development		25,000
Child Advocacy Center		70,674
Respite Care		76,037
Family Support		58.065
Playroom		53,075
Consulting Program		20,000
Program Support for 2010		35,575
Talk Line		17,348
Partners in Prevention		9,234
Electrical and Safety Upgrades		25,149
Website		16,673
Other		13,384
Total net assets released from restriction during 2010	$	730,514

7. Permanently Restricted Net Assets – Endowment Fund

Permanently restricted net assets consist of the Center's Endowment Fund (the Fund), whose purpose is to provide support in meeting the operating and program needs of the Center.

As the Fund's donor restricted the gift for this purpose, it is subject to the enacted version of the Uniform Prudent Management of Institutional funds Act of 2006 (UPMIFA). UPMIFA requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. The permanently restricted amount includes the original donation. The remaining net income portion of the donor-restricted endowment fund can be appropriated for expenditure in accordance with the Center's spending policy. The Center has adopted investment and spending policies, approved by its Board of Directors, for its endowment funds as follows:

The current spending policy of the Center is to utilize the investment income of the fund to support current operations of the Center.

The Center has adopted an investment policy, approved by the Board of Directors, to outline a philosophy and attitude that will guide the investment management of the assets toward the desired results. The funds are invested in accordance with these general policies:

1. **Preservation to Capital**: Both with respect to the overall Fund and to the assets assigned to each investment manager, the Finance Committee and the investment managers should make conscious efforts to preserve capital, understanding that losses may occur in individual securities.

2. **Risk Aversion:** Understanding that risk is present in all types of securities and investment styles, the Finance Committee recognizes that some risk is necessary to produce long-term investment results sufficient to meet the Fund's objectives. However, investment managers are to make reasonable efforts to control risk, and they will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.

3. **Adherence to Investment Discipline**: Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

At December 31, 2010, total net endowment funds consisted of $10,000 in the Fund described above.

8. Retirement Plan

The Center sponsors a 403(b) defined contribution retirement plan covering employees who have been employed by the Center for at least one year and who regularly work at least 20 hours per week. Effective January 1, 2009, the Center changed its policy such that the Board of Directors shall determine annually the employer discretionary contribution, if any, to be made on behalf of eligible employees. The Board shall have sole discretion with respect to any such determination. Contributions, if any, shall be made in one lump-sum payment at the end of the calendar year. Employees may also elect to make additional contributions to the plan. For 2010, the Board determined an annual contribution of 1.5% of gross salaries. The Center contributed $19,493 to the plan for the year ended December 31, 2010.

9. Commitments

Building Maintenance Fund

Until 2007, the Center leased its facility from the San Francisco Child Abuse Prevention Society (the Society). In 2007, the Society donated this building and land to the Center. As part of the agreement, the Center was required to establish a Building Maintenance Fund with an initial deposit of $400,000. The fund was to remain intact for at least three years from the time of property transfer (until January 2010) and was intended to be used solely for building repairs, maintenance and capital improvements, and should be replenished from time to time. The Center continues to maintain the fund for its originally intended purpose. For the year ended December 31, 2010, no amounts were used for building repairs, maintenance or capital improvements; the balance in the fund increased $1,771 during the year due to interest income on cash equivalents and investments held. The balance in the fund at December 31, 2010 was $409,528, consisting of $155,119 in money market funds and $254,409 in certificates of deposit.

10. Contingencies – Compliance with Funding Source Restrictions

The Center receives grants which are restricted for a specific program or purpose. Many of these grants provide for the possibility of audit by the granting agency. Should such an audit disclose that grant conditions had not been met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the grantor. It is management's opinion that all grant conditions have been met for grants which have been either recorded as unrestricted or for which donor restrictions have been released.

11. Subsequent Events

In September 2011, the Center signed an 18-month lease (initial lease term) for approximately 22,000 square feet of additional office space in San Francisco, CA in order to anticipate the expanded programming of the Child Advocacy Center (CAC) and the Center for Youth Wellness (CYW), described above. The monthly payments are $13,500 per month, plus operating expenses. The Center has the option to extend the lease for two 1-year periods at the same lease rate. During this initial lease term, the Center will seek entitlement review from the City and County of San Francisco to rezone the premises for the appropriate use. Subject to appropriate entitlements, the Center has an option to either extend the lease term or buy the office space. The lease option is for a 10-year lease term, with certain allowances for tenant improvements. The Center also has the option to buy the leased space for $3,000,000 during the initial lease term, or at the then current market value negotiated in good faith during the lease extension periods.

In connection with the signing of the lease, the Center received a $680,000 grant from Tipping Point Community. The grant is restricted to use for the rent or purchase of a facility, tenant improvements, equipment purchases and professional fees relating to the acquisition and renovation of a facility for the CAC; the Center plans to house the CAC in the new space.
Additionally in September 2011, the Center received a $1,200,000 grant from Tipping Point Community to be paid in six equal installments of $200,000, designed for various programs related to the development of the CAC and CYW and subject to the conditions set forth in the grant agreement. To date, the Center has satisfied the requirements for the first two installment payments.

No amounts related to these grants have been reflected in the accompanying statements of financial position or statements of activities and changes in net assets as of and for the year ended December 31, 2010.

Subsequent events were evaluated through September 12, 2011, the date the financial statements were available to be issued.