



San Francisco Child Abuse Prevention Center

Financial Statements
Years Ended December 31, 2011 and 2010

San Francisco Child Abuse Prevention Center

Financial Statements
Years Ended December 31, 2011 and 2010

San Francisco Child Abuse Prevention Center

Contents

Independent Auditors' Report	3
Financial Statements	
Statements of financial position	5
Statements of activities and changes in net assets	6
Statements of functional expenses	7
Statements of cash flows	8
Notes to financial statements	9 - 16



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 "Prevention Center"), a California non-profit benefit corporation, as of December 31, 2011 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Prevention Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative financial information has been derived from the Prevention Center's 2010 financial statements and, in our report dated September 12, 2011, we expressed an unqualified opinion on those financial 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 Prevention 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 financial statements referred to above present fairly, in all material respects, the financial position of San Francisco Child Abuse Prevention Center at December 31, 2011 and the changes in its net assets 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 7, 2012

Financial Statements

San Francisco Child Abuse Prevention Center
Statements of Financial Position
December 31, 2011 with Comparative Totals for December 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Total	2010 Total
Assets					
Current Assets:					
Cash and cash equivalents	\$ 1,791,270	\$ 1,250,438	\$ -	\$ 3,041,708	\$ 1,472,722
Grants and contracts receivable	318,658	1,056,040	-	1,374,698	442,016
Pledges receivable, net	79,373	-	-	79,373	53,846
Prepaid expenses and other assets	116,747	-	-	116,747	52,820
Total current assets	2,306,048	2,306,478	-	4,612,526	2,021,404
Non-Current Assets:					
Cash and cash equivalents - Building Maintenance Fund (Note 5)	400,000	-	10,000	410,000	419,528
Property and equipment, net (Note 6)	2,312,474	-	-	2,312,474	2,266,561
Total non-current assets	2,712,474	-	10,000	2,722,474	2,686,089
Total Assets	\$ 5,018,522	\$ 2,306,478	\$ 10,000	\$ 7,335,000	\$ 4,707,493
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable	\$ 200,035	\$ -	\$ -	\$ 200,035	\$ 122,868
Accrued vacation	97,965	-	-	97,965	102,768
Assets held for the benefit of others	84,765	-	-	84,765	-
Deferred revenue	10,100	-	-	10,100	11,607
Total Liabilities	392,865	-	-	392,865	237,243
Net Assets					
Unrestricted	4,225,657	-	-	4,225,657	3,543,984
Unrestricted - Building Maintenance Fund (Note 5)	400,000	-	-	400,000	409,528
Temporarily restricted (Note 7)	-	2,306,478	-	2,306,478	506,738
Permanently restricted (Note 8)	-	-	10,000	10,000	10,000
Total Net Assets	4,625,657	2,306,478	10,000	6,942,135	4,470,250
Total Liabilities and Net Assets	\$ 5,018,522	\$ 2,306,478	\$ 10,000	\$ 7,335,000	\$ 4,707,493

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, 2011 with Comparative Totals for December 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Total	2010 Total
Support & Revenue:					
Government grants	\$ 1,425,263	\$ -	\$ -	\$ 1,425,263	\$ 1,433,433
Foundation and corporate grants	664,000	2,428,940	-	3,092,940	1,491,412
Court awarded settlement (Note 10)	650,000	-	-	650,000	-
Donations	326,475	98,396	-	424,871	308,392
In-kind revenue	473,736	-	-	473,736	69,596
Fundraising events, net of direct donor benefits of \$74,785 in 2011 and \$30,035 in 2010	276,001	1,250	-	277,251	238,026
Program service fees	6,126	-	-	6,126	11,013
Interest and dividends	3,499	-	-	3,499	3,165
Other income	43,918	-	-	43,918	2,271
Net assets released from restriction: Satisfaction of donor requirements	728,846	(728,846)	-	-	-
Total Revenue & Support	4,597,864	1,799,740	-	6,397,604	3,557,308
Expenses:					
Program service					
Family support	1,257,929	-	-	1,257,929	1,119,500
Safe start	721,621	-	-	721,621	719,959
Education and training	199,838	-	-	199,838	241,237
TALK line	345,361	-	-	345,361	298,406
Children's advocacy center (CAC)	215,855	-	-	215,855	22,053
Partners in prevention	33,241	-	-	33,241	32,881
Subtotal - Programs	2,773,845	-	-	2,773,845	2,434,036
Administration	416,017	-	-	416,017	447,595
Administration - CAC	343,756	-	-	343,756	-
Fundraising	304,047	-	-	304,047	323,129
Fundraising - CAC	88,054	-	-	88,054	-
Total Expenses	3,925,719	-	-	3,925,719	3,204,760
Change in Net Assets	672,145	1,799,740	-	2,471,885	352,548
Net Assets, beginning of year	3,953,512	506,738	10,000	4,470,250	4,117,702
Net Assets, end of year	\$ 4,625,657	\$ 2,306,478	\$ 10,000	\$ 6,942,135	\$ 4,470,250

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, 2011 with Comparative Totals for December 31, 2010

	PROGRAMS											2011 Total	2010 Total
	Family Support	SafeStart	Education & Training	TALK Line	Children's Advocacy Center	Partners in Prevention	Total Programs	Administration	Administration CAC	Fundraising	Fundraising CAC		
Salaries	\$ 728,601	\$ 191,187	\$ 129,788	\$ 218,000	\$ 85,828	\$ 4,971	\$ 1,358,375	\$ 231,735	27,387	\$ 135,033	\$ 53,092	\$ 1,805,622	\$ 1,548,674
Payroll taxes	68,089	16,685	10,437	18,914	7,355	460	121,940	19,069	2,250	11,208	4,275	158,742	129,536
Benefits	121,548	18,182	16,281	41,235	6,287	812	204,345	23,532	2,597	9,914	4,431	244,819	223,675
Subcontractors	-	411,515	-	-	-	-	411,515	-	-	-	-	411,515	403,397
Stipends	37,190	-	-	-	-	-	37,190	-	-	-	-	37,190	24,400
Consultants	108,070	46,419	22,902	27,025	50,167	12,660	267,243	44,357	17,769	77,437	19,724	426,530	352,440
Accounting and audit	-	-	-	-	-	-	-	51,207	-	-	-	51,207	55,748
Legal	-	25	-	-	-	752	777	840	285,840	-	-	287,457	38,526
Occupancy	19,607	1,772	1,314	2,036	54,808	45	79,582	2,113	1,822	1,216	483	85,216	29,985
Maintenance and janitorial	22,452	2,580	1,961	2,991	1,367	48	31,399	3,110	629	1,860	722	37,720	31,314
Telephone	8,142	2,959	1,538	8,927	885	67	22,518	2,785	279	1,620	594	27,796	23,658
Postage and delivery	744	193	150	222	89	5	1,403	321	30	5,999	53	7,806	13,381
Supplies and equipment	8,736	1,746	1,385	1,934	770	169	14,740	2,610	573	1,770	467	20,160	41,617
Expendable equipment	22,146	5,368	4,909	6,046	3,530	1	42,000	10,369	2,875	4,122	1,456	60,822	-
Equipment rental and repairs	11,054	11,296	676	720	37	4	23,787	126	21	71	28	24,033	-
Printing and copying	902	297	129	291	113	6	1,738	581	97	9,633	74	12,123	29,416
Client support	37,403	-	-	-	-	-	37,403	-	-	-	-	37,403	67,773
Program supplies	24,264	1,352	1,636	2,797	387	12,963	43,399	736	105	441	184	44,865	23,732
Staff development	1,022	63	79	186	26	2	1,378	68	8	36	17	1,507	28,475
Staff appreciation	1,460	358	264	481	176	11	2,750	552	54	314	108	3,778	6,637
Volunteer recognition	492	-	-	3,663	-	-	4,155	5	-	143	-	4,303	-
Travel	530	509	205	12	250	-	1,506	292	34	695	3	2,530	1,752
Conferences & meetings	294	5	5	6	7	-	317	1,286	164	629	1	2,397	4,098
Dues and subscriptions	1,875	160	138	90	35	32	2,330	1,860	86	14,723	22	19,021	5,210
Insurance	5,433	1,443	1,033	1,634	597	43	10,183	3,774	182	951	387	15,477	17,071
Board expenses	-	-	-	-	-	-	-	6,249	-	89	-	6,338	29,497
Bank charges	80	20	18	23	13	-	154	6	5	6,487	5	6,657	5,956
Interest expense	657	170	136	192	86	3	1,244	203	28	119	46	1,640	1,538
Bad debt	-	-	-	-	-	-	-	-	-	14,204	-	14,204	-
Depreciation	26,399	6,734	4,800	7,778	3,000	180	48,891	8,020	910	4,638	1,843	64,302	63,849
Other	739	583	54	158	42	7	1,583	211	11	695	39	2,539	3,405
Total Expenses	\$ 1,257,929	\$ 721,621	\$ 199,838	\$ 345,361	\$ 215,855	\$ 33,241	\$ 2,773,845	\$ 416,017	\$ 343,756	\$ 304,047	\$ 88,054	\$ 3,925,719	\$ 3,204,760

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, 2011

with Comparative Totals for the Year Ended December 31, 2010

	2011	2010
Cash Flows from Operating Activities		
Change in net assets	\$ 2,471,885	\$ 352,548
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	64,302	63,849
Loss on disposal of fixed assets	5,396	-
Non-cash interest income	-	(1,771)
Changes in assets and liabilities:		
Grants and contracts receivable	(932,682)	(61,866)
Pledges receivable, net	(25,527)	(7,081)
Prepaid expenses and other assets	(63,927)	4,801
Accounts payable	77,167	5,186
Accrued vacation	(4,803)	11,958
Assets held for the benefit of others	84,765	-
Deferred revenue	(1,507)	(8,149)
Cash Provided by Operating Activities	1,675,069	359,475
Cash Flows from Investing Activities:		
Withdrawals from long-term building reserve	9,528	-
Purchase of fixed assets	(115,611)	(64,134)
Cash Used in Investing Activities	(106,083)	(64,134)
Increase in Cash and Cash Equivalents	1,568,986	295,341
Cash and Cash Equivalents, beginning of year	1,472,722	1,177,381
Cash and Cash Equivalents, end of year	\$ 3,041,708	\$ 1,472,722

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

San Francisco Child Abuse Prevention Center

Notes to Financial Statements

1. Organization

Nature of Activities

San Francisco Child Abuse Prevention Center (the Prevention 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 Prevention Center is governed by a 29-member Board of Directors. The Prevention Center provides services directly to families and children, educates the community, and coordinates and strategic partnerships. Programs include:

Family Support - The Prevention Center's direct services include a parent drop-in program, substance abuse recovery services, parent and child counseling and therapy, case management, job search assistance, parenting skills classes, and family activities. The Therapeutic Children's Playroom provides care for children and supports the Prevention Center's other programs by offering no-cost childcare while parents are on site receiving services.

SafeStart Program - The Prevention Center leads a citywide collaborative 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 Prevention 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 15,000 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 38 years.

Children's Advocacy Center - The Prevention Center leads a citywide public-private partnership to create an accredited Children's Advocacy Center (CAC). Based upon a national best-practice model, the CAC will be a child-friendly facility where multidisciplinary teams respond to incidents of child sexual abuse, physical abuse, and exposure to violence and then support the child and family through the healing process. The Prevention Center anticipates opening doors for services in 2013. The CAC will be co-located with the Center for Youth Wellness, a new nonprofit which the Prevention Center helped to launch that takes an innovative approach to address the root causes of poor outcomes for children and youth experiencing trauma.

Funding and Revenue Concentration

A significant portion of the Prevention Center's funding is received from government grants awarded by the City & County of San Francisco. The Prevention Center also receives a substantial amount of support from foundations, corporations and individuals. The Prevention Center received 31% of its unrestricted revenue and support from the City & County of San Francisco in 2011. Should this grantor reduce its level of support, the Prevention Center could be required to reduce the level of activity of some of its programs.

San Francisco Child Abuse Prevention Center

Notes to Financial Statements

2. Summary of Significant Accounting Policies

Method of Accounting

The financial statements of the Prevention 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).

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 Prevention 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 Prevention Center.

Accounting for Restricted Support

The Prevention 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 Prevention 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 Prevention 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 Prevention Center include useful lives of property and equipment, valuation of grants, contracts and pledges receivable, valuation of in-kind revenues and functional allocation of expenses.

San Francisco Child Abuse Prevention Center

Notes to Financial Statements

Comparative Totals

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 Prevention Center's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

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.

Grants Receivable

Grants receivable include amounts committed by donors but which have not yet been received by the Prevention Center. All grants receivable are due within one year, except for \$200,000 that is expected to be collected in 2013. Management periodically reviews the collectability of grants receivable and provides a provision at the time it is determined that they are uncollectible, generally when they are one year past due.

Contracts Receivable

Contracts receivable include amounts billed and unbilled under various governmental contracts for services performed during the year. At December 31, 2011 and 2010 unbilled contracts receivable totaled \$8,135 and \$45,643, respectively. Management periodically reviews the collectability of contracts receivable and provides a provision at the time it is determined that they are uncollectible, generally when they are one year past due.

Pledges Receivable, net

Pledges receivable are recorded when pledges are made. All pledges are due within one year. Management periodically reviews the collectability of pledges and provides a provision for uncollectible pledges at the time it is determined that they are uncollectible, generally when they are one year past due.

Property and Equipment

Property and equipment are reported at cost if purchased or at fair value at the date of gift if donated. The Prevention Center capitalizes property and equipment that have a cost or fair value of at least \$1,000. 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.

San Francisco Child Abuse Prevention Center

Notes to Financial Statements

Assets held for the Benefit of Others

At December 31, 2011, the Prevention Center is the intermediary between the donor and a recipient organization and is holding \$84,765 for the benefit of the recipient organization. No contribution revenue was recorded for the year ended December 31, 2011 related to these funds.

Fair Value Measurements

The Prevention 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 Prevention 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

As of December 31, 2011, there were no Level 1, Level 2, or Level 3 financial assets or liabilities.

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

<i>As of December 31, 2010</i>	Level 1	Level 2	Level 3
<i>Assets:</i>			
Money market funds (a)	\$ 881,794	\$ -	\$ -
Certificate of Deposit (b)	\$ 254,409	\$ -	\$ -
Total	\$ 1,136,203	\$ -	\$ -

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

(b) Certificate of Deposit classified as building maintenance fund.

San Francisco Child Abuse Prevention Center

Notes to Financial Statements

Fair Value of Other Financial Instruments

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

Assets Measured and Recorded at Fair Value on a Nonrecurring Basis

The Prevention 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 Prevention 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.

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.

3. Tax Status

The Prevention Center is exempt from federal and California state income taxes under Section 501 (c)(3) of the Internal Revenue Code and Section 23701 (d) of the California Revenue and Taxation Code, respectively. The Prevention Center had no sources of unrelated business income during the years ended December 31, 2011 and 2010.

The Prevention Center follows the authoritative guidance for accounting for uncertainty in income taxes. The Prevention Center does not believe there are any material uncertain tax positions and; accordingly, has not recognized any liability for unrecognized tax benefits. The Prevention Center has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Prevention Center has filed IRS Form 990 tax returns as required and all applicable returns in those jurisdictions where it is required. The Prevention 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 2008. However, the Prevention Center is still open to examinations by tax authorities from fiscal year 2008 forward. For the year ended December 31, 2011, there were no interest or penalties recorded in the statements of activities.

4. Concentrations of Credit Risk

Concentrations of credit risk primarily include cash and cash equivalents. The Prevention Center's account balances with various financial institutions, from time to time, exceed the guaranteed amount of the Federal Deposit Insurance Corporation (FDIC). At December 31, 2011, cash and cash equivalents held by the Prevention Center in interest bearing accounts exceeded FDIC insured limits by \$1,963,936.

San Francisco Child Abuse Prevention Center

Notes to Financial Statements

5. Building Maintenance Fund

Until 2007, the Prevention 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 Prevention Center. As part of the agreement, the Prevention 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. While no longer a requirement of the initial agreement, the Prevention Center continues to maintain the initial fund for its originally intended purpose and spends all earnings for building repairs, maintenance or capital improvements.

6. Property and Equipment

Property and equipment, net at December 31, 2011 and 2010 were as follows:

	2011	2010
Land	\$ 847,300	\$ 847,300
Building and building improvements	1,447,328	1,447,328
Furnishings and equipment	121,165	98,325
Construction in progress	167,610	92,659
	2,583,403	2,485,612
Less: accumulated depreciation	(270,929)	(219,051)
Property and equipment, net	\$ 2,312,474	\$ 2,266,561

Depreciation and amortization expense for years ended December 31, 2011 and 2010 was \$64,302 and \$63,849, respectively.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets represent grants and donations to the Prevention Center that have been restricted for a specific purpose or time period at December 31, 2011 and 2010 were as follows:

	2011	2010
Children's advocacy center	\$ 2,075,252	\$ 349,315
Education and training	69,540	-
General support for 2011	41,250	62,500
Family support	36,319	6,666
Playroom	27,500	6,666
Respite care	25,381	51,187
Partners in prevention	20,787	766
TALK line	7,949	-
Electrical and safety upgrades	2,500	8,851
Support center renovation	-	10,000
Other	-	10,787
Total temporarily restricted net assets	\$ 2,306,478	\$ 506,738

San Francisco Child Abuse Prevention Center

Notes to Financial Statements

8. Permanently Restricted Net Assets - Endowment Fund

Several years ago, the Prevention Center planned to establish an endowment fund. \$10,000 was raised and the effort was discontinued. The Prevention Center has no plans to increase such funds in the foreseeable future.

9. Retirement Plan

The Prevention Center sponsors a 403(b) defined contribution retirement plan (the Plan) covering employees who have been employed by the Prevention Center for at least one year and who regularly work at least 20 hours per week. The Board of Directors determines annually the employer discretionary contribution, if any, to be made on behalf of eligible employees. 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 2011, the Board determined an annual contribution of 1.5% of gross eligible salaries. The Prevention Center contributed \$22,353 to the Plan for the year ended December 31, 2011.

10. Court Awarded Settlement

The Prevention Center received a \$650,000 one-time, court award of residual funds in a class action lawsuit, the underlying objective of which sought to promote women's health and well-being. The Prevention Center was not a party to the lawsuit, but a cy pres beneficiary and recorded the amount as revenue when the cash was received in the accompanying Statement of Activities and Changes in Net Assets.

11. Commitments and Contingencies

Operating Leases

In September 2011, the Prevention 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 Children's Advocacy Center (CAC) and the Center for Youth Wellness (CYW), described above. The payments are \$13,500 per month, plus operating expenses. The Prevention Center has the option to extend the lease for two 1-year periods at the same lease rate. Subject to appropriate entitlements, the Prevention 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 Prevention 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. The rental expense for the year ended December 31, 2011 was \$54,000.

The future minimum rental payments required as of December 31, 2011 were:

Year ending December 31, 2012	\$ 162,000
Year ending December 31, 2013	27,000
	<hr/>
	\$ 189,000

San Francisco Child Abuse Prevention Center

Notes to Financial Statements

Tipping Point Grant

In connection with the signing of the lease, the Prevention 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 Prevention Center plans to house the CAC in the new space.

Additionally in September 2011, the Prevention 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 Prevention Center has satisfied the requirements for three installment payments. The Prevention Center expects to satisfy two more installment payments in 2012 and the final installment payment in 2013; the Prevention Center has recorded these amounts in Temporarily Restricted Net Assets in the Statement of Financial Position.

12. Subsequent Events

Subsequent events were evaluated through September 7, 2012, the date the financial statements were available to be issued.