San Francisco Child Abuse Prevention Center

Financial Statements

Years Ended December 31, 2012 and 2011

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San Francisco Child Abuse Prevention Center

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Independent Auditor's Report

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

We have audited the accompanying financial statements of San Francisco Child Abuse Prevention Center (the "Prevention Center"), a California non-profit benefit corporation, which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Prevention Center's 2011 financial statements and, in our report dated September 8, 2012, we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Francisco Child Abuse Prevention Center as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

September 30, 2013

Financial Statements

San Francisco Child Abuse Prevention Center

Statement of Financial Position
December 31, 2012 with Summarized Comparative Totals for December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
Assets					
Current Assets:					
Cash and cash equivalents	$ 2,204,310	$ 1,881,265	$ -	$ 4,085,575	$ 3,451,708
Investments	515,897	-	10,000	525,897	-
Grants and contracts receivable	257,222	590,300	-	847,522	1,374,698
Pledges receivable, net	97,698	-	-	97,698	79,373
Prepaid expenses and other assets	147,840	-	-	147,840	116,747
Total current assets	3,222,967	2,471,565	10,000	5,704,532	5,022,526
Non-Current Assets:					
Other assets	183,616	-	-	183,616	-
Property and equipment, net (Note 6)	2,596,350	-	-	2,596,350	2,312,474
Total non-current assets	2,779,966	-	-	2,779,966	2,312,474
Total Assets	$ 6,002,933	$ 2,471,565	$ 10,000	$ 8,484,498	$ 7,335,000
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable and accrued expenses	$ 196,874	$ -	$ -	$ 196,874	$ 210,135
Due to broker	510,000	-	-	510,000	-
Accrued vacation	94,434	-	-	94,434	97,965
Assets held for the benefit of others	17,831	-	-	17,831	84,765
Total Liabilities	819,139	-	-	819,139	392,865
Net Assets					
Unrestricted	5,183,794	-	-	5,183,794	4,625,657
Temporarily restricted (Note 7)	-	2,471,565	-	2,471,565	2,306,478
Permanently restricted (Note 8)	-	-	10,000	10,000	10,000
Total Net Assets	5,183,794	2,471,565	10,000	7,665,359	6,942,135
Total Liabilities and Net Assets	$ 6,002,933	$ 2,471,565	$ 10,000	$ 8,484,498	$ 7,335,000

See accompanying notes to financial statements.

San Francisco Child Abuse Prevention Center

Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2012
with Summarized Comparative Totals for December 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
Support & Revenue:					
Government grants	$ 1,387,914	$ -	$ -	$ 1,387,914	$ 1,425,263
Foundation and corporate grants	498,023	1,264,734	-	1,762,757	3,092,940
Court awarded settlement (Note 10)	-	-	-	-	650,000
Donations	273,713	223,720	-	497,433	424,871
In-kind revenue	572,113	-	-	572,113	473,736
Fundraising events, net of direct donor benefits					
of $122,078 in 2012 and $74,785 in 2011	518,635	-	-	518,635	277,251
Program service fees	15,136	-	-	15,136	6,126
Interest and dividends	2,697	-	-	2,697	3,499
Other income	83,447	-	-	83,447	43,918
Net assets released from restriction:					
Satisfaction of donor requirements	1,323,367	(1,323,367)	-	-	-
Total Revenue & Support	4,675,045	165,087	-	4,840,132	6,397,604
Expenses:					
Program service					
Family support	1,180,949	-	-	1,180,949	1,257,929
SafeStart	648,825	-	-	648,825	721,621
Education and training	226,312	-	-	226,312	199,838
TALK Line	314,556	-	-	314,556	345,361
Children's Advocacy Center (CAC)	588,542	-	-	588,542	215,855
Partners in Prevention	44,589	-	-	44,589	33,241
Subtotal - Programs	3,003,773	-	-	3,003,773	2,773,845
Administration	344,825	-	-	344,825	416,017
Administration - CAC	245,537	-	-	245,537	343,756
Fundraising	233,641	-	-	233,641	304,047
Fundraising - CAC	289,132	-	-	289,132	88,054
Total Expenses	4,116,908	-	-	4,116,908	3,925,719
Change in Net Assets	558,137	165,087	-	723,224	2,471,885
Net Assets, beginning of year	4,625,657	2,306,478	10,000	6,942,135	4,470,250
Net Assets, end of year	$ 5,183,794	$ 2,471,565	$ 10,000	$ 7,665,359	$ 6,942,135

See accompanying notes to financial statements.

San Francisco Child Abuse Prevention Center

Statement of Functional Expenses
with Summarized Comparative Totals for December 31, 2011

	PROGRAMS												
	Family Support	SafeStart	Education & Training	TALK Line	Children's Advocacy Center	Partners in Prevention	Total Programs	Administration	Administration - CAC	Fundraising	Fundraising - CAC	2012 Total	2011 Total
Salaries	$ 695,829	$ 138,791	$ 144,641	$ 195,668	$ 243,293	$ 3,972	$ 1,422,194	$ 202,087	$ 98,662	$ 104,103	$ 162,680	$ 1,989,726	$ 1,805,621
Stipends	43,320	-	-	-	-	-	43,320	-	-	-	-	43,320	37,190
Payroll Taxes	66,671	11,927	11,246	16,675	19,511	303	126,333	16,999	8,433	8,467	12,829	173,061	158,742
Benefits	127,849	14,414	21,100	42,856	23,760	685	230,664	19,146	7,454	6,850	11,236	275,350	244,822
Recruitment & Prof Development	6,884	1,465	806	2,958	672	11	12,796	1,012	227	554	316	14,905	1,508
Staff Appreciation	3,439	589	639	855	997	1,095	7,614	857	335	447	620	9,873	3,779
Accounting & Payroll	-	-	-	-	-	-	-	41,579	-	-	-	41,579	38,180
Accounting & audit	-	-	-	-	-	-	-	18,980	-	-	-	18,980	13,027
Legal	-	-	251	-	-	-	251	12,979	117,274	-	-	130,504	287,457
Consultants - Training	52,453	16,480	14,828	4,953	-	-	88,714	-	-	-	-	88,714	96,317
Consultants - Computer	15,041	2,822	3,157	4,132	5,140	7,478	37,770	4,174	1,996	2,174	3,352	49,466	56,628
Consultants - Childcare	10,828	-	-	-	-	-	10,828	-	-	-	-	10,828	5,694
Consultants - Other	19,400	12,929	12,014	16,230	102,460	1,090	164,123	3,275	2,437	73,837	83,892	327,564	267,888
Subcontractors	-	415,692	-	-	-	-	415,692	-	-	-	-	415,692	411,515
Travel	1,382	268	735	241	402	4	3,032	478	149	187	242	4,088	2,529
Conferences & Meetings	2,022	314	388	383	483	3,731	7,321	454	199	354	340	8,668	2,396
Utilities	5,651	1,073	1,180	1,559	5,344	32	14,839	1,649	797	816	1,263	19,364	18,410
Maintenance & Janitorial	15,306	1,494	1,538	2,051	5,336	42	25,767	2,290	1,058	1,081	1,669	31,865	37,721
Rent Expense	6,402	872	500	-	162,300	-	170,074	-	-	-	-	170,074	66,804
Program Supplies	19,343	9,449	2,508	4,923	869	19,609	56,701	-	-	-	-	56,701	44,865
Client Support	34,125	-	-	433	-	-	34,558	-	-	-	-	34,558	37,404
Volunteer Recognition	1,462	-	-	1,555	-	-	3,017	-	-	328	-	3,345	4,303
Office Supplies	4,151	819	656	1,014	1,134	92	7,866	1,450	617	580	736	11,249	20,160
Expendable Equipment	4,106	940	992	1,194	1,481	33	8,746	1,476	419	632	924	12,197	60,823
Dues & Subscriptions	6,033	9,528	886	1,227	919	6,073	24,666	840	112	6,219	213	32,050	19,021
Equipment Rental & Repairs	193	38	43	55	1,109	1	1,439	55	21	28	44	1,587	24,032
Telephone & Communications	5,866	2,034	1,259	6,359	2,081	37	17,636	1,769	803	912	1,366	22,486	27,796
Postage & Delivery	828	144	284	207	240	119	1,822	308	128	3,858	165	6,281	7,806
Insurance	6,511	1,286	1,341	1,797	2,225	37	13,197	2,676	901	941	1,462	19,177	15,476
Printing & Copying	1,522	702	366	521	538	11	3,660	470	168	8,968	354	13,620	12,123
Depreciation	22,347	4,376	4,547	6,161	7,574	123	45,128	6,454	3,106	3,173	4,981	62,842	64,302
Other	1,985	379	407	549	674	11	4,005	3,368	241	9,132	448	17,194	31,380
Total Expenses	$ 1,180,949	$ 648,825	$ 226,312	$ 314,556	$ 588,542	$ 44,589	$ 3,003,773	$ 344,825	$ 245,537	$ 233,641	$ 289,132	$ 4,116,908	$ 3,925,719

See accompanying notes to financial statements.

San Francisco Child Abuse Prevention Center

Statement of Cash Flows
For the Year Ended December 31, 2012
with Summarized Comparative Totals for the Year Ended December 31, 2011

	2012	2011
Cash Flows from Operating Activities		
Change in net assets	**$ 723,224**	$ 2,471,885
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	**62,842**	64,302
In-kind donations	**(325,910)**	-
Loss on disposal of fixed assets	**2,463**	5,396
Realized loss from investments	**1,217**	-
Changes in assets and liabilities:		
Grants and contracts receivable	**527,176**	(932,682)
Pledges receivable, net	**(18,325)**	(25,527)
Prepaid expenses and other assets	**(31,093)**	(63,927)
Accounts payable and accrued expenses	**(13,261)**	75,660
Accrued vacation	**(3,531)**	(4,803)
Assets held for the benefit of others	**(66,934)**	84,765
Cash Provided by Operating Activities	**857,868**	1,675,069
Cash Flows from Investing Activities:		
Withdrawals from long-term building reserve	**-**	9,528
Purchase of investments	**(33,028)**	-
Purchase of fixed assets	**(206,887)**	(115,611)
Proceeds from sale of investments	**15,914**	-
Cash Used in Investing Activities	**(224,001)**	(106,083)
Increase in Cash and Cash Equivalents	**633,867**	1,568,986
Cash and Cash Equivalents, beginning of year	**3,451,708**	1,882,722
Cash and Cash Equivalents, end of year	**$ 4,085,575**	$ 3,451,708

See accompanying notes to financial statements.

Supplemental Non-Cash Disclosures:		
Contributed in-kind capitalized deferred lease costs	**$ 183,617**	$ -
Contributed in-kind construction in progress	**$ 142,293**	$ -

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 24-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 39 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 by the end of 2013. The CAC will be co-located with CPMC's Bayview Child Health Center and the Center for Youth Wellness (CYW). The CYW is a new nonprofit which the Prevention Center helped to launch in March 2012 and 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 30% of its unrestricted revenue and support from the City & County of San Francisco in 2012. 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.

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 accounting principles generally accepted 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 the 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 the allocation of functional expenses.

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, 2011, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments, 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 six months after the opening of the CAC. Management periodically reviews the collectability of grants receivable and provides a provision at the time it is determined that they are uncollectable.

The Prevention Center received a $400,000 conditional grant from the Horace W. Goldsmith Foundation payable in four installments, which is dependent upon meeting various benchmarks in the development of the Children's Advocacy Center. The Prevention Center will record an asset and revenue upon meeting the benchmarks. The first annual payment was received in May 2013.

Contracts Receivable

Contracts receivable include amounts billed and unbilled under various governmental contracts for services performed during the year. Management periodically reviews the collectability of contracts receivable and provides a provision at the time it is determined that they are uncollectable.

Pledges Receivable, net

Pledges receivable are recorded when pledges are made. Management periodically reviews the collectability of pledges and provides a provision for uncollectable pledges at the time it is determined that they are uncollectable.

Property and Equipment

Property and equipment are reported at cost if purchased, or at fair value at the date of gift if donated. 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.

Assets held for the Benefit of Others

At December 31, 2012 and 2011, the Prevention Center is the intermediary between the donor and a recipient organization and is holding $17,831 and $84,765, respectively, for the benefit of the recipient organization. No contribution revenue was recorded for the years ended December 31, 2012 and 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

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, 2012:

As of December 31, 2012	**Level 1**	**Level 2**	**Level 3**
Assets:			
Investments (a)	$ 525,897	$ -	$ -
Total	$ 525,897	$ -	$ -

(a) Investments consist principally of an intermediate bond fund and a short term bond fund with a cost basis of $525,897.

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.

Investments

Investments in marketable securities are recorded on their trade date and are stated at fair value in the statements of financial position. Realized and unrealized gains and losses are included in the statement of activities and changes in net assets as net realized and unrealized gains (losses) on investments.

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, 2012 and 2011.

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, 2012, there were no interest or penalties recorded in the statements of activities.

4. Concentrations of Credit Risk

Financial instruments that potentially subject the Prevention Center to concentrations of credit risk consist of cash deposits with a commercial bank and a brokerage firm. The Prevention Center maintains its cash accounts with two commercial banks. The accounts at the commercial bank are insured by the Federal Deposit Insurance Corporation (FDIC) for a limitless amount for all non-interest bearing accounts (through December 31, 2012) and up to a maximum of $250,000 for interest-bearing accounts. The risk is managed by maintaining all deposits in high quality financial institutions.

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 $400,000 Building Maintenance Fund. 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. From January 2010, the required term for the Building Maintenance Fund, through December 31, 2012, the Prevention Center maintained $400,000 of cash and cash equivalents segregated for future building maintenance and capital improvements. Subsequent to December 31, 2012, the Prevention Center has used the $400,000 on capital improvements for the Waller Street facility.

6. Property and Equipment, net

Property and equipment, net at December 31, 2012 and 2011 were as follows:

	2012	2011
Land	**$ 847,300**	$ 847,300
Building and building improvements	**1,458,312**	1,447,328
Furnishings and equipment	**93,513**	121,165
Construction in progress	**500,805**	167,610
	2,899,930	2,583,403
Less: accumulated depreciation	**(303,580)**	(270,929)
Property and equipment, net	**$ 2,596,350**	$ 2,312,474

Depreciation and amortization expense for years ended December 31, 2012 and 2011 was $62,842 and $64,302, respectively.

The Prevention Center's Construction in Progress relates to two projects – the remodel of the Prevention Center's Waller Street facility and the build-out of the Children's Advocacy Center. In connection with these 2 projects, the Prevention Center has signed construction contracts totaling approximately $3.2million; both projects are expected to be completed in 2013.

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, 2012 and 2011 were as follows:

	2012	2011
Children's Advocacy Center	**$ 2,155,952**	$ 2,075,252
Education and training	**77,593**	69,540
General support for next year	**55,000**	41,250
Family support	**30,879**	36,319
Playroom	**75,659**	27,500
Other	**76,482**	56,617
Total temporarily restricted net assets	**$ 2,471,565**	$ 2,306,478

8. Permanently Restricted Net Assets - Endowment Fund

In the past, the Prevention Center planned to establish an endowment fund. $10,000 was raised, but the effort was subsequently 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. Employees may also elect to make additional contributions to the Plan. For 2012, the Board determined an annual contribution of 1.5% of gross eligible salaries. The Prevention Center contributed $24,013 to the Plan for the year ended December 31, 2012.

10. Court Awarded Settlement

In 2011, 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 was named as a beneficiary and recorded the amount as revenue when the cash was received.

11. Commitments and Contingencies

Operating Leases

In September 2011, the Prevention Center signed an 18-month lease 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. At the end of March 2012, the Prevention Center exercised its 10-year lease term option, with certain allowances for tenant improvements. Contemporaneously with the exercise of the lease option, the Prevention Center entered into sublease agreements with both Sutter Health/CPMC and CYW through the end of the 10-year lease option. The rental expense for the year ended December 31, 2012 was $162,000.

The Prevention Center's future minimum rental commitments under its non cancelable operating lease, net of guaranteed sublease income, as of December 31, 2012 are as follows:

	Operating Lease	Sublease Income	Total
Year ending December 31, 2013	$ 133,500	$ (47,800)	$ 85,700
Year ending December 31, 2014	173,900	(86,200)	87,700
Year ending December 31, 2015	223,600	(109,200)	114,400
Year ending December 31, 2016	228,100	(111,500)	116,600
Year ending December 31, 2017	232,700	(113,700)	119,000
Thereafter	1,299,500	(635,100)	664,400
	$ 2,291,300	$ (1,103,500)	$ 1,187,800

12. Subsequent Events

Subsequent events have been evaluated through September 30, 2013, which is the date the financial statements were available to be issued and, where applicable, such events are appropriately reflected and/or disclosed in these financial statements.