
SAN MARCOS COMMUNITY FOUNDATION BOARD

MEETING AGENDA

Tuesday, August 18, 2020 – 6:00 PM

San Marcos Room – 2nd Floor

Pursuant to Governor Newsom's Executive Order N-29-20 dated March 17, 2020, and Executive Order N 33-20 dated March 19, 2020, issued with respect to the COVID-10 pandemic, this San Marcos Community Foundation will be conducted utilizing teleconferencing and electronic means. In the interest of reducing the spread of COVID 19, members of the public may only view the meeting online, and may not be present in the San Marcos Room.

Public Comment: To submit a public comment at the City Council meeting, please email jcadima@san-marcos.net and write "Public Comment" in the subject line, or identify the number of the Agenda item on which you are commenting. In the body of the email, include the item number and/or title of the item as well as your comments. Email comments on matters not on the agenda must be submitted prior to the time the Board President calls the Oral Communications item. Email comments on any agenda item must be submitted prior to the time the Board President closes public comments on the agenda item. Please be advised that all emailed comments are subject to the same rules as would otherwise apply to speaker comments at any Community Foundation meeting, and that electronic comments on agenda items for this meeting may only be submitted by email. Comments via text message and/or social media (Facebook, Twitter, Instagram, etc.), will not be accepted.

The Board Secretary will read all email comments, provided that the reading will not exceed five (5) minutes, or such other time as the Board may provide, consistent with its ability to set time parameters for public comment at a Board meeting. If persons submitting comments do not want their comment to be read out loud at the meeting (not to exceed five minutes), they should note "Do Not Read Out Loud at Meeting" at the top of the email. All emailed comments received by 4:00 pm will be provided to the Board Members and included as "Supplemental Information" on the City's website prior to the meeting. Those comments received after 4:00 pm and prior to the close of public comment on the applicable agenda item will be added to the record and will be shared with the Board Members at the meeting.

Americans with Disabilities Act: If you need special assistance to participate in this meeting, please contact the Board Secretary at (760) 744-1050, ext. 3100. Notification 48 hours in advance will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are available for the hearing impaired. Please see the Board Secretary if you wish to use this device.

Meeting Schedule: Regular San Marcos Community Foundation Board meetings are generally held on the third Tuesday in the month of February, May, August and November. The Agenda's are posted on the City website at: www.san-marcos.net.

Agendas: Agenda packets are available for public inspection 72 hours prior to scheduled meetings at the Administration Department located on the second floor of City Hall, 1 Civic Center Drive, San Marcos, during normal business hours. Any agenda-related writings or documents provided to a majority of the San Marcos Community Foundation after distribution of the agenda packet are available for public inspection at the same time at the Administration department.

CALL TO ORDER

ROLL CALL

CONSENT CALENDAR

1. **WAIVER OF TEXT** - This item is to waive the reading of all text of all Resolutions and Policies adopted at this meeting. Resolutions and Policies shall be adopted by title.
Recommendation: WAIVE
2. **APPROVAL OF MINUTES** - SMCF Board Meeting of February 18, 2020.
Recommendation: CONSIDER/APPROVE

ORAL COMMUNICATIONS *The Oral Communication segment of the agenda is for the purpose of allowing the public to address the Community Foundation on any matter NOT listed on the agenda. To submit a public comment at the Community Foundation meeting, please email jcadima@san-marcos.net and write "Oral Communication" in the subject line. Email comments on matters not on the agenda must be submitted prior to the time the Board President calls the Oral Communications item.*

NEW BUSINESS

3. **PRESIDENT'S REPORT**
 - Updates of note to the Board
 - Jewish Community Foundation Reports*Recommendation: NOTE & FILE/DISCUSS*
4. **MINI GRANT APPLICATION PROPOSALS** - Consider mini grant proposals by non-profit organizations requesting funds from the Foundation.
 - (A) **MCALISTER INSTITUTE (NIWARC)** - Request for funding in the amount of \$1,500 to purchase hygiene kits, socks, blankets, and bus passes for the homeless population in San Marcos. Will serve 250-350 residents.
Recommendation: CONSIDER/APPROVE
 - (B) **MEALS ON WHEELS** - Request for funding in the amount of \$1,500 for food and packaging of meals to be delivered to seniors who are homebound. Will serve 155 residents.
Recommendation: CONSIDER/APPROVE
5. **REGULAR GRANT APPLICATION PROPOSALS** - Consider regular grant proposals by non-profit organizations requesting funds from the foundation.

(C) COASTAL ROOTS FARM – Request for funding in the amount of \$5,000 to maintain the farm and distribute food to vulnerable members of the community. Will serve 500 residents.

Recommendation: CONSIDER/APPROVE

(D) COMMUNITY RESOURCE CENTER (CRC) – Request for funding in the amount of \$7,500 for homeless prevention and intervention services. Will service 83 residents.

Recommendation: CONSIDER/APPROVE

(E) MAMA'S KITCHEN – Request for funding in the amount of \$5,000 to purchase food and meal containers for home delivered meal services to residents who are at risk of malnutrition due to HIV, cancer, type 2 diabetes or congestive heart failure. Will serve 21 residents.

Recommendation: CONSIDER/APPROVE

(F) VOICES FOR CHILDREN, COURT APPOINTED SPECIAL ADVOCATE (CASA) – Request for funding in the amount of \$2,500 to recruit, train, and supervise CASA volunteers as they advocate on behalf of children from San Marcos living in the foster care system. Will serve 41 residents.

Recommendation: CONSIDER/APPROVE

6. GRANT SUMMARY

(a) Grant Funding Update – Fiscal Year 2020/2021

(b) Resolution No. 2020-XX – Summer Quarter Regular Grants

Recommendation: CONSIDER/APPROVE

7. STRATEGIC PLANNING

Recommendation: DISCUSS/APPROVE

OLD BUSINESS

8. PROMOTIONAL AND FUNDRAISING ACTIVITIES/IDEAS

Recommendation: DISCUSS/APPROVE

ITEMS FOR THE GOOD OF THE ORDER

9. MISCELLANEOUS

Selection of next quarter's Grant Funding Subcommittee

10. ADJOURNMENT



SAN MARCOS COMMUNITY FOUNDATION BOARD MEETING AGENDA
August 18, 2020
Page 4 of 4

City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069

AFFIDAVIT OF POSTING

**STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) ss.
CITY OF SAN MARCOS)**

I, Joseline Cadima, hereby certify that I caused the posting of this Agenda in the glass display case at the north entrance of City Hall and on the City website on Wednesday, August 12, 2020 prior to 5:30 pm.

Joseline Cadima
Joseline Cadima, Recording Secretary



City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069

MINUTES

REGULAR MEETING OF THE SAN MARCOS COMMUNITY FOUNDATION BOARD

Tuesday, February 18, 2020 – 6:00 PM

San Marcos Conference Room – 2nd Floor

CALL TO ORDER: Board President Lukoff called the meeting to order at 6:02 p.m.

ROLL CALL:

PRESENT: BOARD MEMBERS: BANKS, BLANKENSHIP-WILLIAMS, BURTON,
GENDEL, LUKOFF, WILSON, VANMIDDLESWORTH

ABSENT: **BOARD MEMBERS: NONE**

ALSO PRESENT: Board Secretary Julie Magee and Office Specialist II Joseline Cadima

NEW BUSINESS

1. PRESIDENT'S REPORT

- Provided update on 2-1-1 San Diego.
- Board members recognized Sharon Jenkins as Volunteer of the Year at the North County Philanthropy Council Award Ceremony.

2. SMCF GRANT FUNDING COMMITTEE RECOMMENDATION

- Update provided on the Grant Funding History Fiscal Year 2019/2020.
- Board members reviewed and discussed the grants noted in the Quarter Funding Recommendation Worksheet.
- Approved Resolution No. 2019-16, Winter Quarter Regular Grants.

MOVED BY BOARD MEMBER BLANKENSHIP-WILLIAMS, SECONDED BY BOARD MEMBER WILSON TO APPROVE RESOLUTION NO. 2019-16, AS RECOMMENDED BY THE SMCF GRANT FUNDING COMMITTEE.

ABSENT: **BOARD MEMBERS: NONE**



SMCF Board Meeting Minutes - DRAFT
Tuesday, August 27, 2019 | Page 2 of 3

City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069

3. STRATEGIC PLAN 2020

- Board members agreed to further discuss strategies for the 2020 year.

4. SMCF GRANT FUNDING COMMITTEE MEETINGS

- Board members agreed to cancel grant funding committees if there is lack of new agenda items.

OLD BUSINESS

5. PROMOTIONAL AND FUNDRAISING ACTIVITIES/IDEAS

- No discussion.

CONSENT CALENDAR

6. WAIVER OF TEXT – Waived

7. **APPROVAL OF MINUTES** - SMCF GFC Meeting of November 13, 2019 and SMCF Board Meeting of November 19, 2019 - Approved

8. ORAL COMMUNICATIONS

MOVED BY BOARD MEMBER BURTON, SECONDED BY GENDEL TO APPROVE THE CONSENT CALENDAR WITH NOTED AMENDMENTS TO THE SMCF GFC NOVEMBER 13, 2020 MINUTES AND SMCF BOARD NOVEMBER 19, 2019 MINUTES.

NOES: BOARD MEMBERS: NONE

ABSENT: **BOARD MEMBERS: NONE**

ABSENT: **BOARD MEMBERS:** NONE
ABSTAIN: **BOARD MEMBERS:** NONE

ITEMS FOR THE GOOD OF THE ORDER

9. MISCELLANEOUS

- Next quarter's Grant Funding Subcommittee (GFS) will include Board Members Banks, Vanmiddlesworth and Lukoff serving as the chair with Burton as alternate. Program



SMCF Board Meeting Minutes - DRAFT
Tuesday, August 27, 2019 | Page 3 of 3

City of San Marcos
1 Civic Center Drive
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Manager Magee noted that the following GFS meeting will be held on Wednesday, April 8, 2020 and the next full board meeting will be held on Tuesday, May 19, 2020.

10. ADJOURNMENT

BOARD MEMBER BURTON MOVED TO ADJOURN THE MEETING, SECONDED BY BOARD MEMBER WILSON. MOTION PASSED BY UNANIMOUS VOICE VOTE.

Meeting adjourned at 7:15 p.m.

COLLEEN LUKOFF, BOARD PRESIDENT
SAN MARCOS COMMUNITY FOUNDATION

ATTEST:

JULIE MAGEE, PROGRAM MANAGER
CITY OF SAN MARCOS

Jewish Community Foundation of San Diego

Asset Allocation & Performance

June 30, 2020



Pavilion
A Mercer practice

Asset Allocation vs. Policy Targets

Endowment Pool			
Asset Class	Actual	Target	Over/Under Target
Equity	50.8%	55.0%	-4.2%
Fixed Income	12.0%	10.0%	+2.0%
Real Assets	6.3%	5.0%	+1.3%
Multi-Strategy	30.9%	30.0%	+0.9%
Cash	0.0%	0.0%	0.0%

Long Term Pool			
Asset Class	Actual	Target	Over/Under Target
Equity	58.4%	58.5%	-0.1%
Fixed Income	38.0%	38.0%	0.0%
Real Assets	3.5%	3.5%	0.0%
Multi-Strategy	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%

Mid Term Pool			
Asset Class	Actual	Target	Over/Under Target
Equity	20.0%	20.0%	0.0%
Fixed Income	75.0%	75.0%	0.0%
Real Assets	5.0%	5.0%	0.0%
Cash	0.0%	0.0%	0.0%

Long Term Index Pool			
Asset Class	Actual	Target	Over/Under Target
Equity	75.0%	75.0%	0.0%
Fixed Income	25.0%	25.0%	0.0%
Cash	0.0%	0.0%	0.0%

Impact Investment Pool			
Asset Class	Actual	Target	Over/Under Target
US Public Equities	51.6%	40.0%	+11.6%
Int'l Equities	11.9%	10.0%	+1.9%
Israeli Equities	6.2%	5.0%	+1.2%
Private Equity	0.0%	10.0%	-10.0%
Public Debt	25.0%	20.0%	+5.0%
Israeli Debt	3.3%	5.0%	-1.7%
Private Debt	1.6%	10.0%	-8.4%
Cash	0.5%	0.0%	+0.5%

Short Term Pool			
Asset Class	Actual	Target	Over/Under Target
Cash	100.0%	100.0%	0.0%

Jewish Community Foundation of San Diego - Endowment Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
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	Allocation						Performance						Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
Total Portfolio	137,651,163	100.0	2.29	12.74	-4.79	0.29	4.35	4.64	5.51	6.48	5.26		Jul-2008
Endowment Pool Policy Index			2.26	12.85	-4.45	1.06	4.29	4.35	5.17	6.37	4.64		
CPI + 5%			0.96	1.10	2.80	5.68	6.80	6.63	6.49	6.78	6.44		
Total Equity	69,931,088	50.8	2.87	19.20	-6.68	1.04	5.74	6.58	8.03	8.95	5.93		Aug-2008
MSCI AC World IMI (Net)			3.20	19.83	-7.06	1.17	5.55	6.11	7.63	9.10	5.85		
Global Equity	37,642,727	27.3											
Harding Loevner Global Equity (HLMVX)	13,491,831	9.8	4.32	25.70	4.49	14.03	10.64	10.58	11.23	11.34	11.17		Jul-2012
MSCI AC World Index (Net)			3.20	19.22	-6.25	2.11	6.14	6.46	7.81	9.16	8.87		
Dodge & Cox Global Stock (DODWX)	12,287,501	8.9	4.04	20.30	-16.99	-8.41	-0.54	2.83	5.96	8.47	8.39		Jul-2012
MSCI AC World Index Value (Net)			1.24	12.74	-17.80	-11.83	-1.02	1.90	3.86	6.15	5.50		
Walter Scott Global Stock (DGLRX)	11,863,395	8.6	1.18	15.92	-3.08	5.00	10.84	9.72	9.63	10.79	10.39		Jul-2012
MSCI AC World Index Growth (Net)			5.09	25.14	5.48	16.58	13.18	10.84	11.62	12.03	12.08		
Large Cap Equity	11,002,521	8.0											
Wellington (Vanguard) Dividend Growth (VDIGX)	11,002,521	8.0	-0.35	13.14	-6.42	1.27	10.04	10.24	10.91	13.15	11.96		Jul-2012
S&P 500			1.99	20.54	-3.08	7.51	10.73	10.73	12.13	13.99	13.15		
SMID Cap Equity	3,228,930	2.3											
William Blair (WSMDX)	3,228,930	2.3	0.29	26.45	0.78	5.89	12.73	11.27	13.35	15.11	13.35		Jul-2013
Russell 2500 Growth Index			3.68	32.87	2.02	9.21	12.10	9.57	12.06	14.45	12.06		
Russell 2500 Index			2.89	26.56	-11.05	-4.70	4.08	5.41	8.15	11.46	8.15		
Small Cap Equity	3,675,125	2.7											
Integrity Small-Cap Value (VSVIX)	3,675,125	2.7	2.35	19.82	-28.66	-24.04	-7.18	-1.65	2.58	7.30	5.55		Jul-2012
Russell 2000 Value Index			2.90	18.91	-23.50	-17.48	-4.35	1.26	3.98	7.82	6.38		
Russell 2000 Index			3.53	25.42	-12.98	-6.63	2.01	4.29	7.17	10.50	9.17		

Jewish Community Foundation of San Diego - Endowment Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



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	Allocation			Performance									Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
International Developed	5,306,647	3.9											
DFA International Small Company (DFISX)	5,306,647	3.9	1.85	21.00	-15.56	-6.62	-1.84	2.44	5.12	6.92	6.75		Jul-2012
<i>MSCI EAFE Small Cap (Net)</i>			1.37	19.88	-13.11	-3.52	0.53	3.81	6.41	8.02	8.11		
Emerging Markets Equity	7,624,408	5.5											
Touchstone Sands Cptl Emerg Mkts (TSEGX)	3,861,385	2.8	12.04	34.38	6.74	17.09	9.88	8.12	-	-	12.83		Jun-2016
<i>MSCI Emerging Markets (Net)</i>			7.35	18.08	-9.78	-3.39	1.90	2.86	3.22	3.27	7.85		
Wells Fargo Emerging Markets Equity (EQIIX)	3,763,023	2.7	4.65	12.60	-17.68	-11.90	-1.96	-0.46	0.76	-	2.86		Jun-2016
<i>MSCI Emerging Markets (Net)</i>			7.35	18.08	-9.78	-3.39	1.90	2.86	3.22	3.27	7.85		
Private Equity	1,450,731	1.1											
Glouston Capital Partners	207,612	0.2	0.00	0.00	0.00	-2.44	2.01	1.58	4.65	-	7.05		Jul-2012
Vista Equity Partners VII	696,593	0.5	0.00	0.00	-3.13	-2.70	-	-	-	-	-5.67		Mar-2019
Apollo Investment Fund IX	441,365	0.3	0.00	0.00	0.00	-4.41	-	-	-	-	-6.63		Apr-2019
Spur Ventures VI	105,161	0.1	0.00	0.00	0.00	-22.98	-	-	-	-	-22.98		Jul-2019
Total Fixed Income	16,469,965	12.0	1.19	4.86	3.23	5.79	4.27	3.37	3.05	4.01	4.97	Jul-2008	
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	4.47		
WellsCap Core Bond (MBFIX)	4,562,045	3.3	0.95	4.24	6.62	9.07	5.28	4.30	4.06	4.21	5.84		Dec-2017
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	5.89		
PIMCO Global Bond (PGBIX)	568,432	0.4	1.11	4.81	2.07	3.90	3.47	3.99	4.22	4.65	3.81		Mar-2018
<i>Blmbg. Barc. Global Aggregate Index (Hedged)</i>			0.50	2.42	3.90	6.07	5.14	4.44	4.33	4.07	6.37		
DoubleLine Core Fixed Income (DBLFX)	4,539,930	3.3	1.44	5.41	1.94	3.78	3.79	3.60	3.81	4.94	5.21		May-2018
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	7.93		
PIMCO Income Fund Institutional Class (PIMIX)	6,799,558	4.9	1.81	6.48	-1.68	0.69	3.32	4.69	5.28	7.51	1.81		Jun-2020
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	0.63		

Jewish Community Foundation of San Diego - Endowment Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
A Mercer practice

Jewish Community Foundation of San Diego - Endowment Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020

- Totals might not sum due to rounding
- Performance for periods longer than one year is annualized
- Inception period starts with the first full month of available performance
- Private Equity returns are updated on a quarterly basis. MTD and QTD performance will not be available
- The Policy Index consists of 10% Bloomberg Barclays Aggregate Index, 30% HFRI FOF: Conservative Index, 55% MSCI AC World IMI Index and 5% Real Assets Custom Benchmark

Jewish Community Foundation of San Diego - Long Term Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



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	Allocation			Performance									Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
Total Portfolio	46,057,914	100.0	2.26	13.67	-3.05	2.83	5.29	5.52	6.00	6.89	6.21		Jul-2003
Long Term Pool Policy Index			2.19	12.75	-1.94	4.21	5.60	5.47	6.01	6.98	6.19		
CPI + 5%			0.96	1.10	2.80	5.68	6.80	6.63	6.49	6.78	7.11		
Total Equity	26,919,554	58.4	2.85	19.60	-6.55	1.79	6.44	7.29	8.58	9.33	7.21		Aug-2003
MSCI AC World IMI (Net)			3.20	19.83	-7.06	1.17	5.55	6.11	7.63	9.10	7.76		
Global Equity	14,725,008	32.0											
Harding Loevner Global Equity (HLMVX)	5,353,111	11.6	4.32	25.70	4.49	14.03	10.64	10.58	11.23	11.34	11.17		Jul-2012
MSCI AC World Index (Net)			3.20	19.22	-6.25	2.11	6.14	6.46	7.81	9.16	8.87		
Dodge & Cox Global Stock (DODWX)	4,682,938	10.2	4.04	20.30	-16.99	-8.41	-0.54	2.83	5.96	8.47	8.39		Jul-2012
MSCI AC World Index Value (Net)			1.24	12.74	-17.80	-11.83	-1.02	1.90	3.86	6.15	5.50		
Walter Scott Global Stock (DGLRX)	4,688,959	10.2	1.18	15.92	-3.08	5.00	10.84	9.72	9.63	10.79	10.39		Jul-2012
MSCI AC World Index Growth (Net)			5.09	25.14	5.48	16.58	13.18	10.84	11.62	12.03	12.08		
Large Cap Equity	4,720,553	10.2											
Wellington (Vanguard) Dividend Growth (VDIGX)	4,720,553	10.2	-0.35	13.14	-6.42	1.27	10.04	10.24	10.91	13.15	11.96		Jul-2012
S&P 500			1.99	20.54	-3.08	7.51	10.73	10.73	12.13	13.99	13.15		
SMID Cap Equity	1,386,695	3.0											
William Blair (WSMDX)	1,386,695	3.0	0.29	26.45	0.78	5.89	12.73	11.27	13.35	15.11	13.35		Jul-2013
Russell 2500 Growth Index			3.68	32.87	2.02	9.21	12.10	9.57	12.06	14.45	12.06		
Russell 2500 Index			2.89	26.56	-11.05	-4.70	4.08	5.41	8.15	11.46	8.15		
Small Cap Equity	1,408,153	3.1											
Integrity Small-Cap Value (VSVIX)	1,408,153	3.1	2.35	19.82	-28.66	-24.04	-7.18	-1.65	2.58	7.30	5.55		Jul-2012
Russell 2000 Value Index			2.90	18.91	-23.50	-17.48	-4.35	1.26	3.98	7.82	6.38		
Russell 2000 Index			3.53	25.42	-12.98	-6.63	2.01	4.29	7.17	10.50	9.17		

Jewish Community Foundation of San Diego - Long Term Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
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	Allocation			Performance									Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
International Developed	2,004,953	4.4											
DFA International Small Company (DFISX)	2,004,953	4.4	1.85	21.00	-15.56	-6.62	-1.84	2.44	5.12	6.92	6.75		Jul-2012
<i>MSCI EAFE Small Cap (Net)</i>			1.37	19.88	-13.11	-3.52	0.53	3.81	6.41	8.02	8.11		
Emerging Markets Equity	2,674,192	5.8											
Touchstone Sands Cptl Emerg Mkts Gr Inst (TSEGX)	1,336,261	2.9	12.04	34.38	6.74	17.09	9.88	8.12	-	-	12.83		Jun-2016
<i>MSCI Emerging Markets (Net)</i>			7.35	18.08	-9.78	-3.39	1.90	2.86	3.22	3.27	7.85		
Wells Fargo Emerging Equity Markets (EQIIX)	1,337,931	2.9	4.65	12.60	-17.68	-11.90	-1.96	-0.46	0.76	-	2.86		Jun-2016
<i>MSCI Emerging Markets (Net)</i>			7.35	18.08	-9.78	-3.39	1.90	2.86	3.22	3.27	7.85		
Total Fixed Income	17,519,480	38.0	1.26	5.17	2.45	4.44	3.68	3.11	2.86	3.79	4.82	Jul-2003	
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	4.29		
DoubleLine Core Plus Fixed Income (DBLFX)	3,721,099	8.1	1.44	5.41	1.94	3.78	3.79	3.60	3.81	4.94	3.18		Oct-2016
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	4.02		
WellsCap Core Bond (MBFIX)	3,739,050	8.1	0.95	4.24	6.62	9.07	5.28	4.30	4.06	4.21	5.84		Dec-2017
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	5.89		
PIMCO Global Bond (PGBIX)	2,181,628	4.7	1.11	4.81	2.07	3.90	3.47	3.99	4.22	4.65	3.81		Mar-2018
<i>Blmbg. Barc. Global Aggregate Index (Hedged)</i>			0.50	2.42	3.90	6.07	5.14	4.44	4.33	4.07	6.37		
Blackrock Strategic Income (BSIKX)	4,649,808	10.1	1.41	6.28	-0.02	2.47	3.19	2.91	3.15	3.75	3.52		Oct-2016
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	4.02		
PIMCO Income Fund Institutional Class (PIMIX)	2,727,895	5.9	1.81	6.48	-1.68	0.69	3.32	4.69	5.28	7.51	1.81		Jun-2020
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	0.63		
Israel Bonds	500,000	1.1	0.13	0.00	0.00	-0.08	-0.03	1.44	1.88	2.37	3.29		Jan-2004
Total Real Assets	1,618,880	3.5	1.66	11.21	-10.52	-6.72	0.06	-0.39	-2.35	-1.26	1.22	May-2009	
<i>Real Assets Custom Benchmark</i>			2.16	6.39	-12.25	-8.96	-0.60	-0.56	-0.55	1.45	3.07		
Principal Diversified Real Asset (PDRDX)	1,618,880	3.5	1.66	11.21	-10.48	-6.68	0.07	-0.38	0.65	3.07	-0.57		Jan-2015
<i>Real Assets Custom Benchmark</i>			2.16	6.39	-12.25	-8.96	-0.60	-0.56	-0.55	1.45	-0.63		

Jewish Community Foundation of San Diego - Long Term Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020

	Allocation						Performance						Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
Cash	-	0.0	0.00	0.00	0.00	-	-	-	-	-	-	-	Sep-1996

- Totals might not sum due to rounding
- Performance for periods longer than one year is annualized
- Inception period starts with the first full month of available performance
- Private Equity returns are updated on a quarterly basis. MTD and QTD performance will not be available
- The Policy Index consists of 38% Bloomberg Barclays Aggregate Index, 58.5% MSCI AC World IMI Index and 3.5% Real Assets Custom Benchmark

Jewish Community Foundation of San Diego - Long Term Index Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
A Mercer practice

	Allocation			Performance									Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
Total Portfolio	30,072,155	100.0	2.65	13.90	-1.88	4.47	5.79	5.75	-	-	5.05		Jul-2014
<i>Index Pool Policy Index</i>			2.56	14.02	-1.90	4.61	5.91	5.81	-	-	5.04		
CPI +5%			0.96	1.10	2.80	5.68	6.80	6.63	6.49	6.78	6.38		
Equity	22,540,346	75.0	3.32	19.73	-6.92	1.27	5.63	6.24	-	-	5.46		Jul-2014
<i>MSCI AC World IMI (Net)</i>			3.20	19.83	-7.06	1.17	5.55	6.11	7.63	9.10	5.21		
Vanguard FTSE All-Wld ex-US (VFWAX)	11,210,461	37.3	4.36	17.46	-10.37	-3.90	1.32	2.52	4.04	5.33	1.34		Jul-2014
<i>FTSE All World ex U.S. (Net)</i>			4.44	16.45	-10.79	-4.25	1.35	2.52	4.05	5.30	1.34		
Vanguard Total Stock Market (VTSAX)	11,329,885	37.7	2.29	22.08	-3.40	6.45	10.04	10.02	11.70	13.76	9.59		Jul-2014
<i>CRSP U.S. Total Market TR Index</i>			2.29	22.09	-3.40	6.47	10.04	10.03	11.67	13.71	9.55		
Fixed Income	7,531,808	25.0	0.70	2.96	6.17	8.77	5.28	4.28	-	-	4.07		Jul-2014
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	3.89		
Vanguard Total Bond Market (VBTLX)	7,531,808	25.0	0.71	2.98	6.35	8.96	5.34	4.32	3.93	3.77	3.87		Jul-2014
<i>Blmbg. Barc. U.S. Aggregate</i>			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	3.89		
Cash	-	0.0	0.00	0.00	0.00	0.00	0.00	0.01	-	-	-		Jul-2014

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- Private Equity returns are updated on a quarterly basis. MTD and QTD performance will not be available
- The Policy Index consists of 25% Bloomberg Barclays Aggregate Index and 75% MSCI AC World IMI Index

Jewish Community Foundation of San Diego - Impact Investment Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
A Mercer practice

	Allocation			Performance									Inception	Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year				
Impact Investment Pool	6,128,779	100.0	1.44	13.77	-1.69	6.06	-	-	-	-	6.69	Aug-2017		
Impact Investment Pool Policy Index			2.30	13.73	-2.15	4.35	5.82	-	-	-	5.30			
CPI +5%			0.96	1.10	2.80	5.68	6.80	6.63	6.49	6.78	6.88			
Total Equity	4,269,276	69.7	1.88	20.05	-3.86	6.44	-	-	-	-	8.71	Aug-2017		
MSCI AC World IMI (Net)			3.20	19.83	-7.06	1.17	5.55	6.11	7.63	9.10	4.73			
US Public Equities	3,161,564	51.6	2.11	21.18	-2.52	9.08	-	-	-	-	10.55	Aug-2017		
S&P 500			1.99	20.54	-3.08	7.51	10.73	10.73	12.13	13.99	10.28			
Jewish Advocacy Strategy	3,161,564	51.6	2.11	21.18	-2.52	9.08	10.96	10.60	12.17	14.17	10.55	Aug-2017		
S&P 500			1.99	20.54	-3.08	7.51	10.73	10.73	12.13	13.99	10.28			
International Equities	728,625	11.9	3.69	16.69	-8.14	-0.64	-	-	-	-	1.18	Aug-2017		
MSCI EAFE ESG Leaders Index			3.62	15.61	-8.53	-0.71	2.64	3.37	5.23	7.12	1.68			
Pax MSCI EAFE	728,625	11.9	3.77	16.74	-8.01	-0.50	2.15	2.51	4.22	-	1.25	Aug-2017		
MSCI EAFE ESG Leaders Index			3.62	15.61	-8.53	-0.71	2.64	3.37	5.23	7.12	1.68			
Israeli Equities	379,088	6.2	-3.21	17.50	-6.14	3.10	-	-	-	-	3.86	Aug-2017		
BlueStar Israel Global Index TR Net			-2.49	15.40	-7.10	1.83	3.54	1.82	-	-	3.82			
VanEck Bluestar ETF (ISRA)	379,088	6.2	-3.21	17.50	-6.14	3.10	3.60	1.72	5.29	-	3.86	Aug-2017		
BlueStar Israel Global Index TR Net			-2.49	15.40	-7.10	1.83	3.54	1.82	-	-	3.82			
Total Fixed Income	1,830,966	29.9	0.44	1.79	3.71	5.05	-	-	-	-	3.10	Aug-2017		
Blmbg. Barc. U.S. Aggregate			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	5.32			
Public Debt	1,530,998	25.0	0.51	2.14	4.47	6.29	-	-	-	-	3.96	Aug-2017		
Blmbg. Barc. Intermed. U.S. Government/Credit			0.62	2.81	5.28	7.12	4.43	3.46	3.12	3.13	4.39			
Breckinridge	675,893	11.0	0.70	2.96	5.47	7.16	4.39	3.58	3.33	-	4.37	Aug-2017		
Blmbg. Barc. Intermed. U.S. Government/Credit			0.62	2.81	5.28	7.12	4.43	3.46	3.12	3.13	4.39			
CRA Qualified Investment Institutional (CRANX)	855,105	14.0	0.37	1.51	3.70	5.43	3.63	2.98	2.92	2.95	6.53	Oct-2018		
Blmbg. Barc. Intermed. U.S. Government/Credit			0.62	2.81	5.28	7.12	4.43	3.46	3.12	3.13	7.94			

Jewish Community Foundation of San Diego - Impact Investment Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
A Mercer practice

	Allocation			Performance									Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
Israeli Debt	199,968	3.3	0.13	-0.01	-0.01	-0.02	-	-	-	-	-	-0.12	Sep-2017
Israel Bonds	199,968	3.3	0.13	-0.01	-0.01	-0.02	-	-	-	-	-	-0.12	Sep-2017
Private Debt	100,000	1.6	0.00	0.00	0.00	0.00	-	-	-	-	-	0.00	Mar-2019
Mission Driven Finance	100,000	1.6	0.00	0.00	0.00	0.00	-	-	-	-	-	0.00	Mar-2019
Cash	28,537	0.5	0.00	0.00	0.00	0.10	-	-	-	-	-	0.04	Oct-2017

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- Performance for periods longer than one year is annualized
- Inception period starts with the first full month of available performance
- Private Equity returns are updated on a quarterly basis. MTD and QTD performance will not be available
- The Policy Index consists of 65% MSCI AC World IMI Index and 35% Bloomberg Barclays Aggregate Index

Jewish Community Foundation of San Diego - Mid Term Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
A Mercer practice

	Allocation			Performance									Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
Total Portfolio	32,090,133	100.0	1.35	7.69	1.38	4.88	4.97	4.26	3.92	4.87	4.95		Jul-2003
Mid Term Pool Policy Index			1.22	6.34	2.75	6.68	5.32	4.61	4.49	5.24	5.30		
Total Equity	6,406,939	20.0	1.76	16.53	-4.69	2.78	8.17	8.48	9.22	10.36	7.74		Aug-2003
MSCI AC World IMI (Net)			3.20	19.83	-7.06	1.17	5.55	6.11	7.63	9.10	7.76		
Global Equity	3,829,039	11.9											
Harding Loevner Global Equity (HLMVX)	2,233,001	7.0	4.32	25.70	4.49	14.03	10.64	10.58	11.23	11.34	10.97		Sep-2012
MSCI AC World Index (Net)			3.20	19.22	-6.25	2.11	6.14	6.46	7.81	9.16	8.58		
Tweedy Browne Worldwide High Dividend (TBHDX)	1,596,038	5.0	1.53	9.97	-15.94	-11.67	0.89	2.24	3.27	6.09	4.11		Sep-2012
MSCI World Value (Net)			0.70	12.58	-17.78	-11.32	-0.81	2.21	4.29	6.88	5.89		
MSCI World (Net)			2.65	19.36	-5.77	2.84	6.70	6.90	8.38	9.95	9.29		
Large Cap Equity	2,577,899	8.0											
Wellington (Vanguard) Dividend Growth (VDIGX)	2,577,899	8.0	-0.35	13.14	-6.42	1.27	10.04	10.24	10.91	13.15	11.88		Sep-2012
S&P 500			1.99	20.54	-3.08	7.51	10.73	10.73	12.13	13.99	12.93		
Total Fixed Income	24,073,439	75.0	1.22	5.19	3.68	6.01	4.31	3.38	2.91	3.73	4.48		Jul-2003
Blmbg. Barc. U.S. Aggregate			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	4.29		
Baird Aggregate Bond (BAGIX)	6,019,385	18.8	1.14	4.79	6.36	9.25	5.60	4.69	4.46	4.68	4.90		Mar-2016
Blmbg. Barc. U.S. Aggregate			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	4.32		
WellsCap Core Bond (MBFIX)	6,020,740	18.8	0.95	4.24	6.62	9.07	5.28	4.30	4.06	4.21	5.84		Dec-2017
Blmbg. Barc. U.S. Aggregate			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	5.89		
PIMCO Global Bond (PGBIX)	4,810,881	15.0	1.11	4.81	2.07	3.90	3.47	3.99	4.22	4.65	3.81		Mar-2018
Blmbg. Barc. Global Aggregate Index (Hedged)			0.50	2.42	3.90	6.07	5.14	4.44	4.33	4.07	6.37		
BlackRock Strategic Income (BSIKX)	7,222,432	22.5	1.52	6.43	0.24	2.76	3.28	2.96	3.19	3.78	3.41		May-2018
Blmbg. Barc. U.S. Aggregate			0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82	7.93		

Jewish Community Foundation of San Diego - Mid Term Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
A Mercer practice

	Allocation						Performance						Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
Total Real Assets	1,609,756	5.0	1.66	11.20	-10.48	-6.69	0.07	-0.38	-2.33	-	-4.99		Sep-2012
Real Assets Custom Benchmark			2.16	6.39	-12.25	-8.96	-0.60	-0.56	-0.55	1.45	-0.92		
Principal Diversified Real Asset (PDRDX)	1,609,756	5.0	1.66	11.21	-10.48	-6.68	0.07	-0.38	0.65	3.07	-0.57		Jan-2015
Real Assets Custom Benchmark			2.16	6.39	-12.25	-8.96	-0.60	-0.56	-0.55	1.45	-0.63		
Cash	-	0.0	0.00	0.00	0.00	0.00	0.01	0.04	0.03	-0.06	-0.03		Jun-2004

- Totals might not sum due to rounding
- Performance for periods longer than one year is annualized
- Inception period starts with the first full month of available performance
- Private Equity returns are updated on a quarterly basis. MTD and QTD performance will not be available
- The Policy Index consists of 75% Bloomberg Barclays Aggregate Index, 20% MSCI AC World IMI Index and 5% Real Assets Custom Benchmark

Jewish Community Foundation of San Diego - Short Term Pool

Asset Allocation & Performance (Net of Fees)

June 30, 2020



Pavilion
A Mercer practice

	Allocation						Performance						Inception Date
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception		
Total Portfolio	46,698,346	100.0	0.01	0.23	0.72	1.87	1.71	1.18	0.92	0.73	1.47		Jul-2003
Short Term Pool Policy Index			0.01	0.02	0.60	1.63	1.77	1.19	0.86	0.64	1.37		
Dreyfus Treasury & Agency Cash Mgmt. (DTRXX)	17,221,097	36.9											
Dreyfus Treasury & Agency Cash Mgmt. (DTRXX)	17,221,097	36.9	0.01	0.04	0.36	1.29	1.52	1.00	0.71	0.51	1.26		Jul-2003
UBS Cash Equivalents	10,636,706	22.8											
UBS Cash Equivalents	10,636,706	22.8	0.01	0.05	0.29	1.06	1.05	0.72	-	-	0.53		Oct-2013
UBS Short-Term Investments	18,840,542	40.3											
UBS Short-Term Investments	18,840,542	40.3	0.02	0.47	1.17	2.58	2.01	1.42	1.16	0.98	1.06		Feb-2009

• Estimated Yield as of 06/30/2020: 0.68%.

- Totals might not sum due to rounding
- Performance for periods longer than one year is annualized
- Inception period starts with the first full month of available performance
- Private Equity returns are updated on a quarterly basis. MTD and QTD performance will not be available
- The Policy Index consists of 100% BofA Merrill Lynch US 3 Month T-Bill Index

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[Download a guide on key index definitions and disclosures.](#)



San Marcos Community Foundation
1 Civic Center Drive
San Marcos, CA 92069-2949

FUND STATEMENT

**San Marcos Community Foundation Fund
For the Quarter Ending 6/30/2020**

How To Read This Fund Statement

Enclosed please find the statement for the ***San Marcos Community Foundation Fund*** of the Jewish Community Foundation. To help you navigate through this statement, below please find a few definitions.

Assets and Liabilities

Outlines the financial position of the Fund as of the statement date. This section details total assets (how your fund is invested) as well as outstanding liabilities, if any. New contributions to your fund may be held temporarily in one of the Foundation's operating accounts (displayed as "US Bank Gifts" or "US Bank Grants"). Items in Transit, if any, represent uncollected fees.

Fund Activity Summary

Recounts quarter-to-date and year-to-date activity for the Fund, including contributions, income, grants and expenses.

Definitions In This Section:

Contributions

- **Gifts / Additions:** Contributions to the Fund.
- **Transfers In:** Transfers from another Fund administered by the Foundation.

Investment Activity

- **Interests & Dividends:** Income from the investments of the Fund.
- **Realized Gains (Losses):** The difference between the value of the asset on the date it is gifted to the Foundation and the fair market value on the date an asset is sold.
- **Unrealized Gains (Losses):** Changes in the value of the Fund related to investments.
- **Investment Expenses:** Costs related to the sale of an asset, such as brokerage fees and commissions, and consultant and custodian fees for Funds invested in the pools.

Disbursements

- **Grants:** Distributions to charitable organizations from the Fund.
- **Transfers Out:** Transfers to another Fund administered by the Foundation.
- **Foundation Support:** The Foundation's fee for administering the Fund which supports operations and programs for the community.

Please know how very honored the Foundation is to assist you. If you have any questions regarding your statement, please call us at (858) 279-2740. Thank you for your support.



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San Marcos Community Foundation Fund
Fund ID: Sanm
For the Quarter Ending 6/30/2020

ASSETS AND LIABILITIES

Market Value as of 06/30/2020

Cash	\$ 1,626.94
Long Term Pool	609,900.97
Endowment Pool	610,670.71
Total Assets	\$ 1,222,198.62

Liabilities and Fund Balance

Fund Balance	\$ 1,222,198.62
Total Liabilities and Fund Balance	\$ 1,222,198.62



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San Marcos Community Foundation Fund
Fund ID: Sanm
For the Quarter Ending 6/30/2020

FUND ACTIVITY SUMMARY

	Current Period	Year-To-Date
	<u>04/01/2020 - 06/30/2020</u>	<u>07/01/2019 - 06/30/2020</u>
BEGINNING FUND BALANCE	\$ 1,101,604.14	\$ 1,233,179.67
Contributions		
Additions	\$ 0.00	\$ 0.00
Total Contributions	<hr/> <u>\$ 0.00</u>	<hr/> <u>\$ 0.00</u>
Investment Activity		
Interest & Dividends	\$ 2,882.44	\$ 25,035.24
Realized Gains (Losses)	304.08	4,251.21
Unrealized Gains (Losses)	119,059.47	(9,626.72)
Investment Expenses	(316.95)	(1,330.37)
Total Investment Activity	<hr/> <u>\$ 121,929.04</u>	<hr/> <u>\$ 18,329.36</u>
Disbursements		
Custodial Withdrawals	0.00	(23,754.00)
Foundation Support	(1,334.56)	(5,556.41)
Total Disbursements	<hr/> <u>\$ (1,334.56)</u>	<hr/> <u>\$ (29,310.41)</u>
Net Change	120,594.48	(10,981.05)
ENDING FUND BALANCE	<hr/> <u>\$ 1,222,198.62</u>	<hr/> <u>\$ 1,222,198.62</u>



San Marcos Community Foundation
1 Civic Center Drive
San Marcos, CA 92069-2949

FUND STATEMENT

**S.M. Community Found - Now & Forever Fund
For the Quarter Ending 6/30/2020**



4950 Murphy Canyon Road
San Diego, CA 92123
(858) 279-2740 tel
(858) 279-6105 fax
www.jcfsandiego.org

S.M. Community Found - Now & Forever Fund
Fund ID: Sanma
For the Quarter Ending 6/30/2020

How To Read This Fund Statement

Enclosed please find the statement for the ***S.M. Community Found - Now & Forever Fund*** of the Jewish Community Foundation. To help you navigate through this statement, below please find a few definitions.

Assets and Liabilities

Outlines the financial position of the Fund as of the statement date. This section details total assets (how your fund is invested) as well as outstanding liabilities, if any. New contributions to your fund may be held temporarily in one of the Foundation's operating accounts (displayed as "US Bank Gifts" or "US Bank Grants"). Items in Transit, if any, represent uncollected fees.

Fund Activity Summary

Recounts quarter-to-date and year-to-date activity for the Fund, including contributions, income, grants and expenses.

Definitions In This Section:

Contributions

- **Gifts / Additions:** Contributions to the Fund.
- **Transfers In:** Transfers from another Fund administered by the Foundation.

Investment Activity

- **Interests & Dividends:** Income from the investments of the Fund.
- **Realized Gains (Losses):** The difference between the value of the asset on the date it is gifted to the Foundation and the fair market value on the date an asset is sold.
- **Unrealized Gains (Losses):** Changes in the value of the Fund related to investments.
- **Investment Expenses:** Costs related to the sale of an asset, such as brokerage fees and commissions, and consultant and custodian fees for Funds invested in the pools.

Disbursements

- **Grants:** Distributions to charitable organizations from the Fund.
- **Transfers Out:** Transfers to another Fund administered by the Foundation.
- **Foundation Support:** The Foundation's fee for administering the Fund which supports operations and programs for the community.

Please know how very honored the Foundation is to assist you. If you have any questions regarding your statement, please call us at (858) 279-2740. Thank you for your support.



4950 Murphy Canyon Road
San Diego, CA 92123
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S.M. Community Found - Now & Forever Fund
Fund ID: Sanma
For the Quarter Ending 6/30/2020

ASSETS AND LIABILITIES

Market Value as of 06/30/2020

Cash	\$ 8.83
Long Term Pool	5,267.51
Total Assets	\$ 5,276.34

Liabilities and Fund Balance

Fund Balance	\$ 5,276.34
Total Liabilities and Fund Balance	\$ 5,276.34



4950 Murphy Canyon Road
San Diego, CA 92123
(858) 279-2740 tel
(858) 279-6105 fax
www.jcfsandiego.org

S.M. Community Found - Now & Forever Fund
Fund ID: Sanma
For the Quarter Ending 6/30/2020

FUND ACTIVITY SUMMARY

	Current Period		Year-To-Date	
	04/01/2020 - 06/30/2020		07/01/2019 - 06/30/2020	
BEGINNING FUND BALANCE	\$	4,642.17	\$	5,148.00
Contributions				
Additions	\$	0.00	\$	0.00
Total Contributions	\$	0.00	\$	0.00
Investment Activity				
Interest & Dividends	\$	17.37	\$	136.26
Realized Gains (Losses)		0.16		2.06
Unrealized Gains (Losses)		623.70		19.28
Investment Expenses		(1.36)		(5.83)
Total Investment Activity	\$	639.87	\$	151.77
Disbursements				
Foundation Support		(5.70)		(23.43)
Total Disbursements	\$	(5.70)	\$	(23.43)
Net Change		634.17		128.34
ENDING FUND BALANCE	\$	5,276.34	\$	5,276.34

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) MINI-GRANT (Choose one) REGULAR GRANT

Project Name: San Marcos Homeless Relief Date Submitted: 3/18/2020	Total # of people served: Total # of San Marcos residents served:	Amount Requested: \$1,500.00
Non-Profit Organization Name and Address, Website <u>Corporate Office:</u> McAlister Institute; 1400 N. Johnson Avenue, Ste. 101 El Cajon, CA 92020 – web: www.mcalisterinc.org <u>Program:</u> McAlister Institute North Inland Women and Adolescent Recovery Center (NIWARC): 751 Rancheros Drive, Ste. 5, San Marcos, CA 92069 – web: https://www.mcalisterinc.org/programs/		Contact Person – Name, Title & Phone, email <u>McAlister Institute (Corporate):</u> Jeanne McAlister, CEO, (619) 442-0277, ext. 1005; jeanne@mcalisterinc.org Alternate Corporate Contact: Tina Moreno, Development Director; (619) 442-0277, ext. 1013; tina.moreno@mcalisterinc.org <u>NIWARC (Program):</u> Patricia Camacho, Program Manager; (760) 761-0515, ext. 1702; patricia.camacho@mcalisterinc.org

Briefly describe your request for funds (to be expanded upon in narrative for regular grant):
McAlister's NIWARC is requesting funds for the purchase of hygiene kits for our Homeless Outreach Workers (HOW) to distribute to the homeless population in San Marcos. Additionally, funds would provide bus passes, socks, blankets, and other items needed by the community's homeless residents. We receive funding for bus passes for the active clients of our substance abuse treatment program but have not been able to share these bus passes with the Homeless Outreach Workers, due to restrictions on their use mandated by their funding source.

The requested funds would be used specifically for the HOW team who engage with people outside of our treatment facility. The need for hygiene kits is particularly important given the current CV19 healthcare crisis. The other items requested are also critical to the health of those vulnerable San Marcos community members who would receive them. Over the past two decades, much research has been dedicated to exploring the relationship between health and homelessness. This relationship is a two-way street: experiencing homelessness can contribute to health issues, while health issues can contribute to poverty and homelessness. People experiencing homelessness are susceptible to the same health issues as people who are not, but their living conditions tend to make treating and coping with issues much more difficult. The homeless members of San Marcos need access to hygiene kits in order to have the best chance of remaining healthy; they need socks and blankets in order to buffer the elements; and they need bus passes to afford them with transportation to critical healthcare and other appointments.

Briefly describe the significance of your request to the San Marcos community:
As noted in the prior response, the significance of this request to the community is especially apparent in the current social climate when we are working to slow the spread of the CV19 virus. Those San Marcos residents who are experiencing homelessness are especially vulnerable to illness, not only because they are often unprotected from the elements (hence, the request for socks and blankets), but also because their ability to practice good hygiene is limited. Good hygiene lowers the risk for diseases and illnesses commonly spread through viruses and bacteria. Good hygiene prevents the spread of bacteria and disease to others, while poor hygiene can lead to contamination and the spread of disease in the community.

Facts related to the direct impact of hygiene on health are telling: 1) Trachoma, the leading cause of preventable blindness worldwide, is related to the lack of facial hygiene. 2) More than 50% of healthy persons

have *Staphylococcus aureus* living in or on their nasal passages, throats, hair, or skin. Within the first 15 minutes of bathing, the average person sheds 6×10^6 colony forming units (CFU) of *Staphylococcus aureus*. 3) On average, a person comes into contact with 300 surfaces every 30 minutes, exposing the average person to 840,000 germs. 4) Up to 80% of communicable diseases are transferred by touch. 5) Proper handwashing can reduce diarrhea rates by 40% and respiratory infections by close to 20%. 6) Failing to wash hands correctly contributes to nearly 50% of all foodborne illness outbreaks.

Good hygiene is crucial to good overall health and wellness because it helps lower the risk for disease, illness, and medical conditions caused by the effects of poor hygiene. When a person doesn't have the resources to practice good hygiene, their body can accumulate bacteria that contribute to diseases such as athlete's foot, head lice, and scabies. In addition, poor hygiene can also cause parasites to grow and multiply on the skin and in the body, causing parasitic diseases like malaria and toxoplasmosis. Poor hygiene also increases the risk for bacterial, viral, and parasitic infections. Serious medical conditions that can develop on behalf of poor hygiene include coronavirus (CV19), gastroenteritis, food poisoning, hepatitis A, influenza, common cold, giardiasis, roundworm, and threadworm.

Therefore, good hygiene can help an individual avoid the possible risks associated with poor hygiene and prevent the development of diseases and infections—it can also help stem the spread of germs and diseases. Hands come into contact with bacteria every time a person coughs, uses the restroom, touches a surface, such as stair railings, used frequently by others. Failing to wash hands and body regularly can cause this bacterium to multiply, increasing the risk for infection and other health problems and the spread of those germs. Washing and staying can kill and remove illness-causing bacteria from the body, lowering the risk for disease and its spread. Put simply, in assisting the homeless residents of the community with products needed to practice good hygiene, can thereby decrease the risk for disease and infection throughout the community of San Marcos.

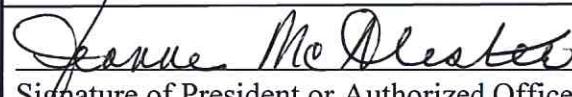
Please attach the following items.

Both Mini-Grant & Regular:

1. Budget for request (use SMCF Budget Worksheet)
2. Annual Operating budget for the organization or unit
3. Federal & State Tax ID numbers
4. Board of Directors listing with affiliations
5. **Regular Grants Only:**
 - a. 1-2 page narrative
 - b. First 2 pages of Federal 990
 - c. Most recent year-end Statement or Audit including any management letters associated with Audit.
 - d. Signature of President or Authorized Officer on Application
 - e. Optional: letters of support

Expected date project will begin/end: 3/2020

Date by which funds will be expended: 3/2021


Signature of President or Authorized Officer

Jeanne McAlister March 18, 2021
Name, Title Date

Submit Via Mail, In Person or Via Email to:
San Marcos Community Foundation
c/o City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069
Email (PDF Format): jimagee@san-marcos.net

SAN MARCOS COMMUNITY FOUNDATION

Budget Worksheet

Provide an itemized list of expenses for this project:
(example – 72 bicycle helmets at \$7.80 each including tax = \$561.60)

Total budget for this PROJECT: \$ 1,500

Grant Request Amount: \$ 1,500
(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)

Is this a challenge grant? Could it be?
No **No**

Please list any other funding sources for this project.

**Indicate if funds are committed (C), conditional (CD), or pending (P).

\$ _____ (Name of source) _____ ** _____
\$ _____ (Name of source) _____ ** _____
\$ _____ (Name of source) _____ ** _____
\$ _____ (Name of source) _____ ** _____

Amendment #	9	FTE STAFF HOUR EQUIVIENT	1,760				
Contract #:	553791	INDIRECT RATE	16.50%				
Contractor:	McAlister Institute	FTE	22.35				
Program:	NIWARC Perinatal Outpatient						
Address:	751 Rancheros Drive, Suites 3,4,5, San Marcos, CA 92069						
Budget Period:	07/01/2019-06/30/2020						
State Provider Code: 37-	8590	8590	#DIV/0!				
List Staff by Name (Last/First)	Position	Direct FTE	Admin FTE	Annual Salary (full time)	# of months	Total Salary Expense	
Program Manager				1.00	83,250	12.00	83,250
Case Manager		2.50			60,000	12.00	150,000
Clinical Supervisor				0.25	85,000	12.00	21,250
Homeless Outreach Worker		2.00			45,000	12.00	90,000
LPHA (AMFT,ACSW)		2.00			64,000	12.00	128,000
SUD Counselor (Registered/Certified)		4.00			62,500	12.00	250,000
Child Care Worker				1.00	50,000	12.00	50,000
Peri-Child Clinician (AMFT)		1.00			65,000	12.00	65,000
Quality Assurance				1.50	55,000	12.00	82,500
Office Assistant/Recovery Residence Coordinator				1.00	37,000	12.00	37,000
Office Assistant/Administrative Assistant				2.00	37,000	12.00	74,000
Billing Clerk				2.00	37,000	12.00	74,000
Data Entry Clerk				2.00	37,000	12.00	74,000
Maintenance				0.05	55,000	12.00	2,750
Facility Director				0.05	95,000	12.00	4,750
		11.50		10.85	Salary and Wages Subtotal	1,186,500	
					Employee Benefits	263,696	
					SALARY & BENEFITS SUBTOTAL	1,450,196	

ITEM	ROLL UP
Salary and Wages Subtotal	1,186,500
Employee Benefits	263,696
SALARY & BENEFITS SUBTOTAL	1,450,196
*Consultants (from Schedule II)	21,600
**Flex Fund	4,000
*Interest Expense	1,600
Building Rent & Leases	84,000
Building Repairs/Maintenance	5,434
Equipment Rent & Leases	15,864
Equipment Repair/Maintenance	4,084
Telecommunications	15,918
Utilities	18,744
Minor Equipment (\$500 > < \$5,000)	2,810
Office Supplies	9,930
Other Supplies	4,435
Printing	2,691
Drug Testing	5,108
Client Transportation	10,198
Travel	9,869
Accounting/Auditing/Legal Fees	3,061
Dues and Subscriptions	500
Insurance	23,026
Staff Development/Training/Education	10,931
Tax/License/Fees	16,583
Other Business Services	246
Interpreter Services	1,000
Other: Food	390
Other: Mobile Clinic	126
Other: Recovery Residences	143,608
Operating Expenses Total	415,753.77
TOTAL S&B + OPERATING	1,865,950
INDIRECT COSTS	307,882
TOTAL GROSS COSTS	2,173,832
Participant Fees	1,000
TOTAL OTHER CONTRACT REVENUES	1,000
NET COST (CONTRACT MAX)	2,172,832

MCALISTER INSTITUTE INC.

(Full Name: McAlister Institute for Treatment and Education Inc.)

FEDERAL NUMBER: 95-3140767

STATE NUMBER: 0815675

McAlister Institute, Inc. Board of Directors Listing with Affiliations

<i>Name / Board Position</i>	<i>Profession / Affiliation</i>
Steve Allen, Esq. / Board President	Attorney / Robbins Geller
Dennis Ellman / Board Vice President	Principal / Beck, Ellman, Heald PR Firm
Marc Stevenson / Board Secretary	Tenant Services / St. Vincent de Paul Villages
Paul Sanford, CPA / Treasurer	CPA/Consultant / Sanford Consulting
Arturo Alemany / Director	President/Chief Executive Officer / MIR International
Carole Buckner, Esq. / Director	Partner/General Counsel / Procopio
Mike Franz / Director	Former Deputy Director / McAlister Institute
Frank Giaime / Director	Police Lieutenant / Chula Vista Police Department
R. Scott Hoover / Director	Chief Executive Officer / RSH Mortgages
Mary M. Johnson / Director	Retired / Former Research and Development
Michelle Kveen / Director	Business Owner / BoBeau Garden
Kim Murphy / Director	Therapist/Clinical Supervisor / Alvarado Pkwy.
Brad Crowe / Director	VP/Sales Manager / Title and Escrow Company

Internal Revenue Service

RECEIVED
4.31.2003

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Date: August 4, 2003

McAlister Institute For Treatment And Education Inc.
1400 N Johnson Ave Ste 101
El Cajon, CA 92020-1651

Person to Contact:
Ms. K. Hilson 31-07340

Customer Service Representative

Toll Free Telephone Number:

8:00 a.m. to 6:30 p.m. EST
877-829-5500

Fax Number:
513-263-3756

Federal Identification Number:
95-3140767

Dear Madam:

This letter is in response to your request of August 4, 2003, regarding your organization's tax-exempt status.

In March 1978 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(iii).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

McAlister Institute For Treatment And Education Inc.
95-3140767

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

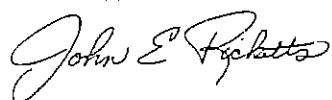
Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



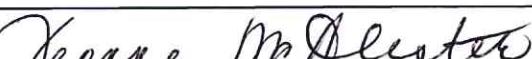
(Choose one) MINI-GRANT (Choose one) REGULAR GRANT

Project Name: San Marcos Homeless Relief Date Submitted: 3/18/2020	Total # of people served: 250-350 annually Total # of San Marcos residents served: 250-350 annually	Amount Requested: \$1,500.00
Non-Profit Organization Name and Address, Website <u>Corporate Office:</u> McAlister Institute; 1400 N. Johnson Avenue, Ste. 101 El Cajon, CA 92020 – web: www.mcalisterinc.org <u>Program:</u> McAlister Institute North Inland Women and Adolescent Recovery Center (NIWARC): 751 Rancheros Drive, Ste. 5, San Marcos, CA 92069 – web: https://www.mcalisterinc.org/programs/		Contact Person – Name, Title & Phone, email <u>McAlister Institute (Corporate):</u> Jeanne McAlister, CEO, (619) 442-0277, ext. 1005; jeanne@mcalisterinc.org Alternate Corporate Contact: Tina Moreno, Development Director; (619) 442-0277, ext. 1013; tina.moreno@mcalisterinc.org <u>NIWARC (Program):</u> Patricia Camacho, Program Manager; (760) 761-0515, ext. 1702; patricia.camacho@mcalisterinc.org
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>McAlister's NIWARC is requesting funds for the purchase of hygiene kits for our Homeless Outreach Workers (HOW) to distribute to the homeless population in San Marcos. Additionally, funds would provide bus passes, socks, blankets, and other items needed by the community's homeless residents. We receive funding for bus passes for the active clients of our substance abuse treatment program but have not been able to share these bus passes with the Homeless Outreach Workers, due to restrictions on their use mandated by their funding source.</p> <p>The requested funds would be used specifically for the HOW team who engage with people outside of our treatment facility. The need for hygiene kits is particularly important given the current CV19 healthcare crisis. The other items requested are also critical to the health of those vulnerable San Marcos community members who would receive them. Over the past two decades, much research has been dedicated to exploring the relationship between health and homelessness. This relationship is a two-way street: experiencing homelessness can contribute to health issues, while health issues can contribute to poverty and homelessness. People experiencing homelessness are susceptible to the same health issues as people who are not, but their living conditions tend to make treating and coping with issues much more difficult. The homeless members of San Marcos need access to hygiene kits in order to have the best chance of remaining healthy; they need socks and blankets in order to buffer the elements; and they need bus passes to afford them with transportation to critical healthcare and other appointments.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>As noted in the prior response, the significance of this request to the community is especially apparent in the current social climate when we are working to slow the spread of the CV19 virus. Those San Marcos residents who are experiencing homelessness are especially vulnerable to illness, not only because they are often unprotected from the elements (hence, the request for socks and blankets), but also because their ability to practice good hygiene is limited. Good hygiene lowers the risk for diseases and illnesses commonly spread through viruses and bacteria. Good hygiene prevents the spread of bacteria and disease to others, while poor hygiene can lead to contamination and the spread of disease in the community.</p>		

Facts related to the direct impact of hygiene on health are telling: 1) Trachoma, the leading cause of preventable blindness worldwide, is related to the lack of facial hygiene. 2) More than 50% of healthy persons have *Staphylococcus aureus* living in or on their nasal passages, throats, hair, or skin. Within the first 15 minutes of bathing, the average person sheds 6×10^6 colony forming units (CFU) of *Staphylococcus aureus*. 3) On average, a person comes into contact with 300 surfaces every 30 minutes, exposing the average person to 840,000 germs. 4) Up to 80% of communicable diseases are transferred by touch. 5) Proper handwashing can reduce diarrhea rates by 40% and respiratory infections by close to 20%. 6) Failing to wash hands correctly contributes to nearly 50% of all foodborne illness outbreaks.

Good hygiene is crucial to good overall health and wellness because it helps lower the risk for disease, illness, and medical conditions caused by the effects of poor hygiene. When a person doesn't have the resources to practice good hygiene, their body can accumulate bacteria that contribute to diseases such as athlete's foot, head lice, and scabies. In addition, poor hygiene can also cause parasites to grow and multiply on the skin and in the body, causing parasitic diseases like malaria and toxoplasmosis. Poor hygiene also increases the risk for bacterial, viral, and parasitic infections. Serious medical conditions that can develop on behalf of poor hygiene include coronavirus (CV19), gastroenteritis, food poisoning, hepatitis A, influenza, common cold, giardiasis, roundworm, and threadworm.

Therefore, good hygiene can help an individual avoid the possible risks associated with poor hygiene and prevent the development of diseases and infections—it can also help stem the spread of germs and diseases. Hands come into contact with bacteria every time a person coughs, uses the restroom, touches a surface, such as stair railings, used frequently by others. Failing to wash hands and body regularly can cause this bacterium to multiply, increasing the risk for infection and other health problems and the spread of those germs. Washing and staying can kill and remove illness-causing bacteria from the body, lowering the risk for disease and its spread. Put simply, in assisting the homeless residents of the community with products needed to practice good hygiene, can thereby decrease the risk for disease and infection throughout the community of San Marcos.

<p>Please attach the following items.</p> <p>Both Mini-Grant & Regular:</p> <ol style="list-style-type: none"> 1. Budget for request (use SMCF Budget Worksheet) 2. Annual Operating budget for the organization or unit 3. Federal & State Tax ID numbers 4. Board of Directors listing with affiliations <p>5. Regular Grants Only:</p> <ol style="list-style-type: none"> a. 1-2 page narrative b. First 2 pages of Federal 990 c. Most recent year-end Statement or Audit including any management letters associated with Audit. d. Signature of President or Authorized Officer on Application e. Optional: letters of support 	<p>Expected date project will begin/end: 3/2020</p> <p>Date by which funds will be expended: 3/2021</p>
 <p>Signature of President or Authorized Officer</p> <p><u>Jeanne McAlister</u></p> <p>Jeanne McAlister, CEO March 18, 2021</p> <p>Name, Title Date</p>	<p>Submit Via Mail, In Person or Via Email to:</p> <p>San Marcos Community Foundation</p> <p>c/o City of San Marcos</p> <p>1 Civic Center Drive</p> <p>San Marcos, CA 92069</p> <p>Email (PDF Format): imagee@san-marcos.net</p>

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) MINI-GRANT (Choose one) REGULAR GRANT

Project Name: Senior Care in the Home in San Marcos Date Submitted: 3/31/20	Total # of people served: 3,051 Total # of San Marcos residents served: 155	Amount Requested: \$1,500
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Non-Profit Organization Name & Address, Website Meals on Wheels San Diego County 2254 San Diego Avenue, Ste 200 San Diego, Ca 92110 www.meals-on-wheels.org	Contact Person – Name, Title & Phone, email Ali Duarte Development Manager - Grants 619-278-4012 aduarte@meals-on-wheels.org
---	--

Briefly describe your request for funds (to be expanded upon in narrative for regular grant):
 Meals on Wheels San Diego County (MOWSDC) delivers up to two meals a day to the homes of seniors who are homebound due to age, illness or disability. Delivery of meals is accompanied by a social visit and safety check and care navigation support with referrals to other social service providers if necessary. All services are subsidized by 60% regardless of a senior's ability to pay and further subsidies are provided to those who qualify. ***MOWSDC is requesting funding for food and packaging for meals to be delivered to seniors who are homebound in the City of San Marcos. Funding of \$1,500 would provide food and packaging for 666 meals.***

Briefly describe the significance of your request to the San Marcos community:
 MOWSDC continues to be the only organization in San Diego County that delivers up to two meals a day to the homes of seniors for every day of the week including holidays accompanied by a safety check and in-home social visit. The senior population continues to grow in the City of San Marcos and is predicted to increase by 32% between 2012 and 2020 (SANDAG). For its FY2019 (Oct 1, 2018 – Sept 30, 2019), MOWSDC served 155 unduplicated seniors with 17,483 meals and accompanying services in the City of San Marcos. Of those, 76% fell in the extremely-low income bracket (HUD 2019). ***For its FY2020, MOWSDC's goal is to increase its services by 3%. This would equate to serving 160 unduplicated seniors with 18,000 nutritious meals and accompanying services in the City of San Marcos.*** In order to continue to offer a 60% subsidy, and more for those who qualify, MOWSDC is seeking support for food and packaging.

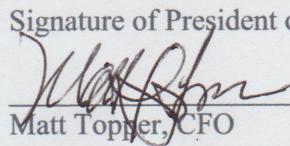
Please attach the following items.

Both Mini-Grant & Regular:

1. Budget for request (use SMCF Budget Worksheet)
2. Annual Operating budget for the organization or unit
3. Federal & State Tax ID numbers
4. Board of Directors listing with affiliations
5. **Regular Grants Only:**
 - a. 1-2 page narrative
 - b. First 2 pages of Federal 990
 - c. Most recent year-end Statement or Audit including any management letters associated with Audit.
 - d. Signature of President or Authorized Officer on Application
 - e. Optional: letters of support

Expected date project will begin/end: 10/1/2019
 Date by which funds will be expended: 5/1/2020

Signature of President or Authorized Officer


 Matt Topper, CFO 3/31/2020
 Date

Submit Via Mail, In Person or Via Email to:
 San Marcos Community Foundation
 c/o City of San Marcos
 1 Civic Center Drive
 San Marcos, CA 92069
 Email (PDF Format): imagee@san-marcos.net

SAN MARCOS COMMUNITY FOUNDATION

Budget Worksheet

Provide an itemized list of expenses for this project:
(example – 72 bicycle helmets at \$7.80 each including tax = \$561.60)

Total budget for this PROJECT: **\$ 6,108.72**

Grant Request Amount: **\$1,500.00**
(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)

Is this a challenge grant? No Could it be? No

Please list any other funding sources for this project.

**Indicate if funds are committed (C), conditional (CD), or pending (P).

MOWSDC receives no government funding for the City of San Marcos nor has any restricted funding to serve the City of San Marcos – with the exception of funds received from the San Marcos Community Foundation. All conditional or pending funding at MOWSDC is assigned to be distributed across San Diego County, and those funds are that which we will use in conjunction with SMCF funding to complete this project.

MEALS ON WHEELS SAN DIEGO COUNTY

FISCAL YEAR 2020 BUDGET

Final Approved

A/C #	Line Item	2020
		TOTALS
4300	Program service fees	\$ 1,795,263
4000	Contributions	1,387,845
4003	Gifts in Kind*	177,993
4050	Bequests	-
4100	Private Grants	533,193
4200	Government Grants	202,737
4900	Community Outreach	228,000
4910	Investment Income*	370,000
4750	Cause Marketing	18,000
4800	Special Events	546,350
4940	Other Income	40,020
TOTAL REVENUE		\$ 5,299,401
5000	Salary & wage expense	\$ 2,248,589
5100	Employee benefits	232,363
5200	401(K) employer match	-
5300	Payroll taxes	188,674
5400	Workers compensation	71,874
5600	Fee for services (non-employee)	150,800
5500	Staff & Board development	5,500
TOTAL HUMAN RESOURCES		\$ 2,897,799
7000	Food & Packaging	\$ 1,049,990
TOTAL FOOD		\$ 1,049,990
6000	Supplies	40,168
6050	Contracts & leases	249,070
6100	Telecommunications	30,830
6200	Postage & shipping	67,042
6300	Occupancy	266,119
6400	Printing & copying	63,312
6500	Travel	82,481
6605	Donor development	1,500
6650	Volunteer program	9,515
6700	Advertising & marketing	12,244
6800	Equipment < \$1000	2,000
6900	Repair & maintenance	90,962
6920	Special Events	118,520
6925	Gifts in Kind Expense	177,993
6930	General Insurance	67,413
6950	Bank Charges	44,358
6980	Bad Debt Acct.	26,500
7200	Projects Materials & Supplies	-
TOTAL OPERATING		\$ 1,350,027
TOTAL EXPENSE		\$ 5,297,816
NET REV + /< - > EXP		\$ 1,585

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: December 29, 2008

MEALS-ON-WHEELS GREATER SAN DIEGO INC
2254 SAN DIEGO AVE STE 200
SAN DIEGO CA 92110-2944

Person to Contact:

David Slaughter
ID# 0203346

Toll Free Telephone Number:
877-829-5500

Employer Identification Number:
95-2660509

Dear Sir or Madam:

This is in response to your request of December 17, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in January 1972 that recognized you as exempt from Federal income tax, and reflect that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Cindy Westcott
Manager, Exempt Organizations
Determinations



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0540

Entity Status Letter

Date:

ESL ID:

According to our records, the following entity information is true and accurate as of the date of this letter.

Entity ID:

Entity Name:

1. The entity is in good standing with the Franchise Tax Board.
2. The entity is **not** in good standing with the Franchise Tax Board.
3. The entity is currently exempt from tax under Revenue and Taxation Code (R&TC) Section 23701
4. We do not have current information about the entity.

The above information does not necessarily reflect:

- The entity's status with any other agency of the State of California, or other government agency.
- If the entity's powers, rights, and privileges were suspended or forfeited at any time in the past, or the entity did business in California at a time when it was not qualified or not registered to do business in California:
 - The status or voidability of any contracts made in California by the entity at a time when the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
 - For entities revived under R&TC Section 23305b, any time limitations on the revivor or limitation of the functions that can be performed by the entity.

Internet and Telephone Assistance

Website: ftb.ca.gov

Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States

TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

MOWSDC Board of Trustees

Name	Committee	Home Address	Company	Title
Barnes, Rosemary	Vice Chair &Board Development Chair	440 San Antonio Avenue, #2 San Diego, CA 92106		Retired, RN
Belmer, Ryan	Audit Committee Member	358 N. Sierra Ave. Solana Beach CA. 92075	UBS Financial Services Inc.	First VP Investments Portfolio Manager
Bojorquez, Leslie	Finance Chair	6357 Lake Lomond Dr. San Diego, CA 92119	Home Instead	Owner, La Mesa
Burzynski, Bill	Services Committee Member	4460 Sunburst Rd. Carlsbad, CA 92008	Banker	Retired
Garfield, Doug	Finance Committee Member	4648 Bermuda Ocean Beach, CA 92107	PDQ Meetings & Events	President
Gramling, Gary	Board Development Committee Member	1150 J St., #506 San Diego, CA 92101	In-Depth Real Estate Services CO.	President
Lazarski, Nancy	Board Development	1150 Anchorage Lane San Diego, CA 92106		
McMahon, Kevin	Audit Chair	912 Rawhide Court Bonita, CA 91902	McMahon Steel	Vice President/CFO
Middleton, Antoinette	Secretary & Services Committee Member	8215 Station Village Lane #3102 San Diego, CA 92108	Law Offices of AM	Attorney
North, Tom	Marketing & RDC Chair	2143 Bacon St San Diego, CA 92107	North Properties	Owner/Realtor
Pavao, Peter	Finance Member	965 Temple St., San Diego, CA 92106	SDG & E	Technical Analysis Manager
Porter, Nanci	Board Development Member	1711 Calle de Cinco La Jolla, CA 92037		Founder
Robertson, Kevin	Services Committee Chair	5248 Camino Playa Malaga San Diego, CA 92124	Anthem, Inc	Lead EAP Consultant
Schwarz, Andrew	Marketing & RDC	2820 Carleton St Unit 8 San Diego, CA 92106	Torrey Pines Bank	Vice President, Sr. Commercial Lender
Stauderman, Ken	Services	3615 Lotus Drive San Diego, CA 92106	CalciMedica, Inc.	Co-Founder & Chief Scientific Officer
Strand, Peggy	Board Chair	3529 Browning St. San Diego, CA 92106		Lawyer, Retired
Thomas, Peter	Finance Committee Member	11098 Via Temprano San Diego, CA 92124	Retired	Physician
Woods, Hon. Margie G.	Audit Committee Member	3582 Garrison St. San Diego, CA 92106	San Diego Superior Court	Judge
Alumni Council (non-voting members)			Company	Title
Baddour, Daralyne			Daralyne Baddour, CPA	CPA
Browning-Baity, Clara		9439 Gold Coast Dr., #1 San Diego, CA 92126	N/A	Retired Registered Dietitian
Dathe, Stephanie		3043 Meadow Grove Drive San Diego, CA 92110	Encompass	Event Planner
Dethloff, Tyson		1246 Trieste Dr San Diego, CA 92107	Allenbrooke Insurance Services, Inc.	Vice President
Hage, Bonnie		1125 Savoy St San Diego, CA 92107	Philanthropist	
Ives, Gail		3096 Evergreen St. San Diego, CA 92110	Union Bank	Sr. Vice President
Katsell, Noah		5268 Pearlman Way San Diego, CA 92130	DLA Piper	Partner
Levin, Jason			Dos Gringos	Founder/President
Morse, Karen		485 Zuni Dr. Del Mar, CA 92014	N/A	Retired Pharmacist
Pieper, Kristi	Board Development Member	5802 Camino de la Costa La Jolla, Ca 92037	Five K Family Trust	Property Manager
Ramirez, Diana		704 Tarento Dr. San Diego, CA 92106	Healthways	VP Strategic Marketing
Rodriguez, Tom		710 Gretchen Rd Chula Vista, CA 91910	The Men's Wearhouse	General Manager
Stratton, Cindi		2944 Bayside Walk San Diego, CA 92109	Stratton & Green	Partner
Valone, Sandy		3682 Liggett Dr San Diego, CA 92106	Pharmatek Labs	Director, Business Development
Wichard, Christine		2660 St. Tropez Pl. La Jolla, CA 92037	N/A	Retired
Trustee Emeritus (non-voting members)				
Hermann, John		707 Orange Ave. #B Coronado, CA 92118	N/A	Retired Real Estate



Viral Prevention Plan

- **Actively encourage sick employees to stay home and send sick employees home immediately**
 - Employees who have symptoms of acute respiratory illness are recommended to stay home and not come to work until they are free of fever (100.4° F [37.8° C] or greater using an oral thermometer), signs of a fever, and any other symptoms for at least 24 hours, without the use of fever-reducing or other symptom-altering medicines (e.g. cough suppressants). Employees should notify their supervisor and stay home if they are sick.
- **Emphasize respiratory etiquette and hand hygiene by everyone**
 - Supply handouts that encourage staying home when sick, cough and sneeze etiquette, and hand hygiene to all staff and volunteers. If possible, post at the entrance to your center and in other areas where they are likely to be seen.
 - Provide tissues and hand sanitizer. Ask everyone to clean their hands often with an alcohol-based hand sanitizer that contains at least 60-95% alcohol, or wash their hands with soap and water for at least 20 seconds. Soap and water should be used preferentially if hands are visibly dirty. Place hand sanitizer in multiple locations to encourage hand hygiene. Ensure that adequate supplies are maintained.
 - Advise everyone to avoid touching their eyes, nose, and mouth with unwashed hands.
 - Refrain from shaking hands and giving hugs. Practice social distancing to reduce contact.
- **Distribute all above messaging to volunteers and all staff of Meals on Wheels San Diego County. Send information to clients to communicate our steps to keep them safe.**
- **Perform routine environmental cleaning:**
 - Routinely clean all frequently touched surfaces in each center. This includes computer keyboard and mice, countertops, light switches, and doorknobs. Use the cleaning agents that are usually used in these areas or cleaning/sanitizing wipes.
 - Provide disposable wipes so that commonly used surfaces (for example, doorknobs, keyboards, desks, phones) can be wiped down by employees before each use.
 - Follow all cleaning protocols at the Meal Center. Routinely clean coolers and other delivery equipment in the field as well as at the Meal Center.



Contingency Plans for Service Disruptions

- **Home Delivered Meals**

- *Scenario: Insufficient Volunteer or Staff Capacity*

- If MOWSD does not have the manpower to deliver meals to all seniors in one day, we will move to a once a week delivery of frozen meals, using 5 or 7 day meals packs
 - Clients will receive a minimum of twice a week telephone reassurance calls or wellness check-in calls.
 - The change in service delivery will be communicated via email to staff and volunteers, as well as mailed to all active clients with additional information on how to contact the local health department and MOWSDC Service Centers with any questions.

- *Scenario: Mass Outbreak / Concerns over Community Spread*

- If the health department notifies the community that the outbreak has transition to “community spread”, meal delivery will be adjusted to include the above (once a week delivery), as well as the following safety measures for seniors:
 - Volunteers and Staff Drivers will call each client just prior to dropping off their meals to ensure they are home, feeling ok, and aware of the delivery changes.
 - Driver will drop the meal at the seniors’ doorstep, knock or ring the doorbell, and return to their vehicle.
 - Driver will remain at the client’s home until they see the senior pick up their meals from the doorstep.
 - Upon seeing pickup, driver will mark the delivery complete in the mobile app.
 - If available, Driver will use hand sanitizer with at least 60% alcohol between each delivery, and at minimum wash their hands before beginning delivery.
 - In this scenario, the standard delivery timeframe may be extended, while ensuring that all meals are kept at the proper temperature.



- *Scenario: Disruption of Meal Vendor Service*
 - If a disruption in meal service occurs and Langlois is not able to produce or deliver an adequate number of meals, MOWSDC will order and deliver either: Shelf-stable meals from JA Food Service or another meal vendor or frozen meals from an alternate meal vendor such as Trio.
- *Scenario: Considerations for Assessments/Re-Assessments*
 - If a disruption in program delivery occurs, all re-assessments will be completed by phone or postponed following guidelines from the County.
 - New intakes may be postponed until the viral outbreak is contained.

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) MINI-GRANT (Choose one) REGULAR GRANT

Project Name: Organic Food Distribution Program Date Submitted: 3/31/20	Total # of people served: 25,000 Total # of San Marcos residents served: 500	Amount Requested: \$5,000
Non-Profit Organization Name and Address, Website Coastal Roots Farm 441 Saxony Road Encinitas, CA 92024 www.coastalrootsfarm.org		Contact Person – Name, Title & Phone, email Javier Guerrero Executive Director 760-479-6517 javier@coastalrootsfarm.org
<p><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u></p> <p>Coastal Roots Farm (Farm) is requesting funds to provide food-insecure residents of San Marcos with fresh, organic, nutrient-dense food at no cost through our Organic Food Distribution Program. Funds will cover the cost of maintaining our 17.5-acre Farm in order to produce certified-organic food, including fruits, vegetables, herbs, and eggs, and to distribute this food to vulnerable members of our community facing food insecurity through our partnership with Vista Community Clinic (VCC).</p>		
<p><u>Briefly describe the significance of your request to the San Marcos community:</u></p> <p>The Farm serves approximately 500 San Marcos residents each year through our partnership with Vista Community Clinic, a comprehensive health care services clinic serving predominately low-income, immigrant, and uninsured families. To ensure this marginalized and low-income community has access to healthy, nutrient-dense food, the Farm distributes fresh, organic food at no-cost at the Clinic. The Farm also provides recipients with educational resources and recipe books in both English and Spanish in order to help beneficiaries understand what they're eating, how to prepare it, and why food plays a critical role in their health and in their lives. The Farm's Organic Food Distribution Program goes beyond just reducing food insecurity through calories alone – we provide access to the high-quality, fresh food required for good health as well as the educational resources and tools needed to implement more healthy eating habits.</p>		
<p>Please attach the following items.</p> <p>Both Mini-Grant & Regular:</p> <ol style="list-style-type: none"> 1. Budget for request (use SMCF Budget Worksheet) 2. Annual Operating budget for the organization or unit 3. Federal & State Tax ID numbers 4. Board of Directors listing with affiliations <p>5. Regular Grants Only:</p> <ol style="list-style-type: none"> a. 1-2 page narrative b. First 2 pages of Federal 990 c. Most recent year-end Statement or Audit including any management letters associated with Audit. d. Signature of President or Authorized Officer on Application e. Optional: letters of support 	<p>Expected date project will begin/end: 5/1/20</p> <p>Date by which funds will be expended: 4/30/21</p> <p>Signature of President or Authorized Officer</p>  <p>Javier Guerrero, Executive</p> <p>Date March 31, 2020</p> <p>Submit Via Mail, In Person or Via Email to: San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): jimagee@san-marcos.net</p>	

SAN MARCOS COMMUNITY FOUNDATION
Budget Worksheet
Coastal Roots Farm

Provide an itemized list of expenses for this project:
(example – 72 bicycle helmets at \$7.80 each including tax = \$561.60)

<i>% of Harvest and Production for Vista Community Clinic Full Food Distribution Attached</i>	
Post-Harvest and Distribution Coordinator	\$1,500
Farm Produce and Distribution Supplies (harvest tools, produce boxes, produce bags, twist ties)	\$2,000
Distribution Educational Materials (reprint of Farm Recipe book in English and Spanish	\$1,500
Total budget for this PROJECT:	\$5,000

Grant Request Amount: **\$5,000**
(*Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.*)

Is this a challenge grant? **No.** Could it be? **Yes.**

Please list any other funding sources for this project.

******Indicate if funds are committed (C), conditional (CD), or pending (P). **These are the outstanding funders for our Organic Produce Donation Program, a portion of which will be allocated to the individuals from San Marcos that utilize our donations at Vista Community Clinic.**

\$5,000	TENGA Foundation	** C
\$15,000	Simply Organic	** C
\$16,543	Las Patronas	** C
\$498	CECO	** C
\$10,000	Rancho Santa Fe Garden Club	** C
\$5,000	Patagonia	** C
\$14,422	Neighborhood Reinvestment Program (NRP) – District 5	** P
\$20,000	Bank of America	** P
\$50,000	Kaiser Foundation	** P
\$5,000	City of Encinitas	** P
\$6,000	Schwemmm Foundation	** P
\$25,000	Sempra Foundation	** P



Coastal Roots Farm: FY 2019 - 2020 Food Distribution Program Budget

Revenue	FY20 Budget
Private Contributions (Individual and Foundations)	\$ 451,682
Corporate Support (Sponsorships and Grants)	\$ 67,600
Government Support	\$ 23,285
Social Enterprise (Farm Stand, Catering, Farm Founder CSA)	\$ 89,200
Fundraising (Year End Campaign, Farm Founder Memberships, Events)	\$ 45,142
Total Revenue	\$ 676,909
Expenses	
Personnel	\$ 467,334
Farm Production Supplies	\$ 40,695
Farm Production Repair and Maintenance	\$ 37,947
Farm Production Operations	\$ 30,140
Food Distribution Supplies	\$ 7,649
Food Distribution Repair and Maintenance	\$ 3,000
Food Distribution Operations	\$ 3,537
Marketing, Communications and Outreach	\$ 8,550
Evaluation and Reporting	\$ 5,000
Subtotal	\$ 603,852
Overhead 12%	\$ 72,462.30
Total Expenses	\$ 676,315
Net Profit (Loss)	\$ 594

Includes Production, Vegetables, composting, animals, vineyard, food forest, on and off-site distribution



Coastal Roots Farm: FY 2019 - 2020 Organizational Budget

Revenue	FY20 Budget	FY19 Actual
Private Contributions (Individual and Foundations)	\$1,003,737	\$1,144,677
Corporate Support (Sponsorships and Grants)	\$169,000	\$73,218
Government Support	\$56,793	\$32,230
Social Enterprise and Earned Revenue (Farm Stand, Composting, Community Events and Festivals, Farm Camps, School and Group Visits, Farm Tours)	\$231,550	\$182,012
Fundraising (Year End Campaign, Farm Founder Memberships, Events)	\$204,960	\$110,102
TOTAL	\$1,666,040	\$1,542,240
Expenses		
Personnel	\$1,200,288	\$1,081,677
Program Expense - Supplies (Farm Production, Food Distribution, Farm Education, Community Events, and Jewish Agricultural Festivals, includes seeds, tools, office supplies, etc.)	\$74,984	\$68,093
Program Expense - Repairs and Maintenance (Farm Production and Food Distribution, includes equipment, pest control, irrigation, vehicles, etc.)	\$43,547	\$23,225
Program Expense - Operations (Farm Production, Food Distribution, Farm Education, Community Events, and Jewish Agricultural Festivals, includes insurance, permits, fees, and licenses, marketing, evaluation, IT services, utilities, etc.)	\$263,127	\$221,961
Depreciation	\$60,000	\$39,129
Total Expenses	\$1,641,946	\$1,434,086
NET PROFIT (LOSS)	\$24,094	\$108,154 AGENDA ITEM

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: DEC 8 - 2015

COASTAL ROOTS FARM
441 SAXONY RD
ENCINITAS, CA 92024

Employer Identification Number:
47-1570910
DLN:
17053212333035
Contact Person:
ROGER W VANCE ID# 31173
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
October 17, 2014
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

COASTAL ROOTS FARM

Sincerely,



Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements

Letter 947

**AGENDA ITEM
#5C.6**



Entity Status Letter

Date:

ESL ID:

According to our records, the following entity information is true and accurate as of the date of this letter.

Entity ID:

Entity Name:

1. The entity is in good standing with the Franchise Tax Board.
2. The entity is **not** in good standing with the Franchise Tax Board.
3. The entity is currently exempt from tax under Revenue and Taxation Code (R&TC) Section 23701
4. We do not have current information about the entity.

The above information does not necessarily reflect:

- The entity's status with any other agency of the State of California or other government agency.
- If the entity's powers, rights, and privileges were suspended or forfeited at any time in the past, or the entity did business in California at a time when it was not qualified or not registered to do business in California:
 - The status or voidability of any contracts made in California by the entity at a time when the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
 - For entities revived under R&TC Section 23305b, any time limitations on the revivor or limitation of the functions that can be performed by the entity.

Connect With Us

Web: ftb.ca.gov

Phone: 800.852.5711 from 7 a.m. to 5 p.m. weekdays, except state holidays
916.845.6500 from outside the United States

TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

BOARD OF DIRECTORS, 2019-2020

Charlene Seidle, Chair | Executive Vice President, Leichtag Foundation

Jim Farley, Vice Chair | President & CEO, Leichtag Foundation

Adam Berman | Executive Director, Urban Adamah

Sharyn Goodson* | Vice President, Philanthropy, Leichtag Foundation

Leilani Rasmussen* | Secretary of the Board | Director of Finance and Grants Administration, Leichtag Foundation

Javier Guerrero | Executive Director, Coastal Roots Farm

**Non-Voting Members*

2017

990

PUBLIC

DISCLOSURE

Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

► Do not enter social security numbers on this form as it may be made public.

► Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public
Inspection

A For the 2017 calendar year, or tax year beginning OCT 1, 2017 and ending SEP 30, 2018

B Check if applicable:	C Name of organization COASTAL ROOTS FARM		D Employer identification number 47-1570910
<input type="checkbox"/> Address change	Doing business as		E Telephone number 760-431-7949
<input type="checkbox"/> Name change	Number and street (or P.O. box if mail is not delivered to street address) 441 SAXONY RD		F Gross receipts \$ 1,220,510.
<input type="checkbox"/> Initial return	Room/suite		G City or town, state or province, country, and ZIP or foreign postal code ENCINITAS, CA 92024
<input type="checkbox"/> Final return/terminated			H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Amended return			H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Application pending	F Name and address of principal officer: CHARLENE SEIDLE SAME AS C ABOVE		If "No," attach a list. (see instructions)
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)() (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			H(c) Group exemption number ►
J Website: ► HTTPS : / COASTALROOTSFARM.ORG/			K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►
		L Year of formation: 2014 M State of legal domicile: CA	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: CULTIVATES HEALTHY COMMUNITIES INTEGRATING AGRICULTURE, FOOD JUSTICE, AND JEWISH WISDOM.		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3 4	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 1	
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5 0	
	6 Total number of volunteers (estimate if necessary)	6 1670	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0.	
b Net unrelated business taxable income from Form 990-T, line 34	7b 0.		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 948,664.	Current Year 1,079,666.
	9 Program service revenue (Part VIII, line 2g)	151,412.	140,844.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,100,076.	1,220,510.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	680,423.	798,487.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ► <input type="checkbox"/> 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	416,499.	423,392.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,096,922.	1,221,879.
19 Revenue less expenses. Subtract line 18 from line 12	3,154.	-1,369.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 167,819.	End of Year 222,811.
	21 Total liabilities (Part X, line 26)	35,827.	92,188.
	22 Net assets or fund balances. Subtract line 21 from line 20	131,992.	130,623.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	► Signature of officer CHARLENE SEIDLE, CHAIR		Date
	► Type or print name and title CHARLENE SEIDLE, CHAIR		
Paid Preparer Use Only	Print/Type preparer's name ALDRICH CPAS AND ADVISORS, LLP	Preparer's signature	Date 08/09/19 Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ► ALDRICH CPAS AND ADVISORS, LLP	Firm's EIN ►	
	Firm's address ► 7676 HAZARD CENTER DRIVE, STE 1300 SAN DIEGO, CA 92108	Phone no. (619) 810-4940	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III 1 Briefly describe the organization's mission:

COASTAL ROOTS FARM CULTIVATES HEALTHY, CONNECTED COMMUNITIES BY INTEGRATING SUSTAINABLE AGRICULTURE, FOOD JUSTICE, AND ANCIENT JEWISH WISDOM.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 544,712. including grants of \$) (Revenue \$ 85,013.)

INCREASING ACCESS TO FRESH ORGANIC PRODUCE THROUGH SUSTAINABLE AGRICULTURE: GUIDED BY JEWISH AGRICULTURAL TRADITIONS AND VALUES, COASTAL ROOTS FARM DONATES AROUND 70% OF THE PRODUCE WE GROW EACH YEAR TO THOSE WHO LACK ACCESS TO FRESH FOOD THROUGH PAY-WHAT-YOU-CAN FARM STANDS AND DIRECT DONATIONS. SINCE INCEPTION IN 2014 THROUGH SEPTEMBER 2018, THE FARM HAS DISTRIBUTED OVER 124,000 LBS OF PRODUCE. THIS AMOUNT INCLUDES AROUND 87,000 LBS OF PRODUCE DONATED TO AROUND 109,886 PEOPLE IN OUR COMMUNITY WHO LACK ACCESS TO HEALTHY FOOD. THE FARM SERVES THE MOST VULNERABLE POPULATIONS, INCLUDING HOLOCAUST SURVIVORS, IMMIGRANTS, SINGLE-PARENT FAMILIES, ACTIVE DUTY MILITARY AND VETERANS.

4b (Code:) (Expenses \$ 200,689. including grants of \$) (Revenue \$ 35,831.)

INCREASING ACCESS TO HANDS-ON FARM-BASED EXPERIENCES AND CULTIVATING JEWISH LIFE THROUGH AGRICULTURE: OUR FARM PROVIDES A UNIQUE SETTING FOR EDUCATIONAL PROGRAMS, COMMUNITY EVENTS, AND CELEBRATING JEWISH TRADITIONS. WE ENGAGE NEARLY 4,000 COMMUNITY MEMBERS EACH YEAR THROUGH FOOD AND FARM-BASED EDUCATION INCLUDING SCHOOL AND GROUP VISITS, TOURS, VOLUNTEER OPPORTUNITIES, CAMPS, WORKSHOPS, AND COMMUNITY GATHERINGS. WE ORGANIZE COMMUNITY-WIDE CELEBRATIONS FOR JEWISH HOLIDAYS THROUGHOUT THE YEAR INCLUDING MAJOR AGRICULTURAL FESTIVALS LIKE SUKKOT (AN EIGHT-DAY FESTIVAL CELEBRATING THE FINAL HARVEST OF THE GROWING SEASON); TU B'SHVAT (THE JEWISH NEW YEAR OF THE TREES); PESACH (A CELEBRATION OF SPRING AND THE FIRST HARVEST); AND SHAVUOT (A CELEBRATION OF THE SUMMER HARVEST).

4c (Code:) (Expenses \$ 18,346. including grants of \$) (Revenue \$ 20,000.)

PROMOTING THE DEVELOPMENT OF COMMUNITY GARDENS AND FARMS: AT COASTAL ROOTS FARM, WE SEEK TO DEVELOP A PRODUCTIVE, ACCESSIBLE, SAFE AND BEAUTIFUL COMMUNITY FARM. OUR ORGANIZATIONAL HEALTH AND VIABILITY IS BASED ON THE FOLLOWING ACTIVITIES: PROVIDING GOOD AGRICULTURAL JOBS WITH LIVABLE WAGES, BENEFITS, AND PROFESSIONAL DEVELOPMENT OPPORTUNITIES; PROVIDING STRONG LEADERSHIP, ADMINISTRATION, AND EVALUATION; GENERATING SOCIAL ENTERPRISE REVENUE THROUGH FOOD SALES, EDUCATIONAL PROGRAMS, EVENTS, AND SERVICES; AND GENERATING PHILANTHROPIC REVENUE THROUGH GRANTS, INDIVIDUAL DONORS, CORPORATE PARTNERSHIPS, FARM MEMBERSHIPS, AND FUNDRAISING EVENTS.

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► 763,747.

Form 990 (2017)

Coastal Roots Farm

Financial Statements

Year Ended September 30, 2018



COASTAL ROOTS FARM
Financial Statements
Year Ended September 30, 2018

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6



Aldrich CPAs + Advisors LLP

7676 Hazard Drive, #1300

San Diego, California 92108

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Coastal Roots Farm

We have audited the accompanying financial statements of Coastal Roots Farm (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Coastal Roots Farm as of September 30, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Aldrich CPAs + Advisors LLP

San Diego, California
February 13, 2019

COASTAL ROOTS FARM
Statement of Financial Position
September 30, 2018

ASSETS

Current Assets:

Cash	\$ 61,045
Accounts receivable	13,237
Prepaid expenses	<u>5,985</u>
Total Current Assets	80,267
Property and Equipment, net of accumulated depreciation	<u>142,544</u>
Total Assets	\$ <u>222,811</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 52,465
Accrued expenses	<u>39,723</u>
Total Current Liabilities	92,188

Net Assets:

Unrestricted	115,560
Temporarily restricted	<u>15,063</u>
Total Net Assets	<u>130,623</u>
Total Liabilities and Net Assets	\$ <u>222,811</u>

COASTAL ROOTS FARM
Statement of Activities
Year Ended September 30, 2018

	Unrestricted	Temporarily Restricted	Total
Revenue and Support:			
Contributions	\$ 781,039	\$ 124,425	\$ 905,464
In-kind contributions	503,636	-	503,636
Farm income	140,844	-	140,844
Fundraising	174,202	-	174,202
Net assets released from restrictions	161,330	(161,330)	-
Total Revenue and Support	1,761,051	(36,905)	1,724,146
Expenses:			
Program services	933,256	-	933,256
Supporting services:			
Management and general	695,175	-	695,175
Fundraising	97,084	-	97,084
Total Expenses	1,725,515	-	1,725,515
Increase (Decrease) in Net Assets	35,536	(36,905)	(1,369)
Net Assets, beginning	80,024	51,968	131,992
Net Assets, ending	\$ 115,560	\$ 15,063	\$ 130,623

COASTAL ROOTS FARM
Statement of Functional Expenses
Year Ended September 30, 2018

	Program Services	Supporting Services			Total
		Management and General	Fundraising		
Payroll and related expenses	\$ 535,761	\$ 269,100	\$ -	\$ 804,861	
In-kind consulting services	8,851	237,043	97,084		342,978
In-kind rent	160,658	-	-		160,658
Consulting	59,290	66,275	-		125,565
Supplies	59,088	8,435	-		67,523
Other	30,933	13,512	-		44,445
Insurance	20,347	23,981	-		44,328
Repairs and maintenance	23,333	8,815	-		32,148
Depreciation	-	19,206	-		19,206
Conferences	9,549	9,640	-		19,189
System support	87	17,538	-		17,625
Professional fees	4,822	5,886	-		10,708
Marketing	1,823	8,164	-		9,987
Community events	8,134	20	-		8,154
Cost of goods sold	5,207	-	-		5,207
Meals and entertainment	2,986	1,890	-		4,876
Travel	1,267	3,249	-		4,516
Office	1,120	2,053	-		3,173
Taxes	-	368	-		368
 Total Expenses	 \$ 933,256	 \$ 695,175	 \$ 97,084	 \$ 1,725,515	

See accompanying notes to financial statements.

COASTAL ROOTS FARM
Statement of Cash Flows
Year Ended September 30, 2018

Cash Flows From Operating Activities:		
Decrease in net assets	\$	(1,369)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation		19,206
Changes in operating assets and liabilities:		
Accounts receivable		2,324
Prepaid expenses		5,970
Accounts payable		25,638
Accrued expenses		30,723
		<hr/>
Net Cash Provided by Operating Activities		82,492
Cash Flows Used by Investing Activities:		
Purchases of property and equipment		(43,322)
Net Increase in Cash		39,170
Cash, beginning		21,875
Cash, ending	\$	<hr/> 61,045

COASTAL ROOTS FARM
Notes to Financial Statements
Year Ended September 30, 2018

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

Coastal Roots Farm (the Farm), was formed as a tax exempt organization on October 17, 2014 and began operations on January 1, 2016. The Farm's mission is to seed new ideas around sustainable farming and Jewish Life, grow healthy food, and share the harvest with the local community. The Leichtag Foundation (Leichtag) is primarily financing the Farm through grants which are designed to decrease annually in order to establish full independence through increased diversity amongst other fund development strategies.

Use of Estimates

The preparation of the 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.

Financial Statement Presentation

The Farm reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.

Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Farm may spend the funds.

Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Farm had no permanently restricted net assets for the year ended September 30, 2018.

Accounts Receivable

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at the end of the period, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary at September 30, 2018 because management believes all amounts are collectible.

Property and Equipment

The Farm capitalizes all expenditures for property and equipment in excess of \$2,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of five to seven years.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 restrictions

COASTAL ROOTS FARM
Notes to Financial Statements
Year Ended September 30, 2018

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Fair Value Measurements

The Farm defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Farm applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

The carrying value of cash, receivables, and payables approximates fair value as of September 30, 2018 due to the relative short maturities of these instruments.

Income Taxes

The Farm is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from California franchise and income tax under section 23701(d) of the Revenue and Taxation code. However, the Farm remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Farm follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Farm recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Farm has no uncertain tax positions at September 30, 2018 and therefore no amounts have been accrued.

The Farm files income tax returns in the United States and various state and local jurisdictions.

Subsequent Events

The Farm has evaluated subsequent events through February 13, 2019, which is the date the financial statements were available to be issued.

Note 2 – Concentrations

The Farm maintains their cash balances at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to a limit of \$250,000. At September 30, 2018, the Farm did not have any uninsured balances. The Farm has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

COASTAL ROOTS FARM
Notes to Financial Statements
Year Ended September 30, 2018

Note 3 – Property and Equipment

Property and equipment as of September 30, 2018 consist of the following:

Machinery and equipment	\$ 157,843
Other	20,005
	<hr/>
Less accumulated depreciation	177,848
	<hr/>
	35,304
	<hr/>
	\$ 142,544
	<hr/>

Note 4 – Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 5- Temporarily Restricted Net Assets

Net assets were temporarily restricted for the following purposes at September 30, 2018:

Mobile sink units	\$ 10,063
School visits	5,000
	<hr/>
	\$ 15,063
	<hr/>

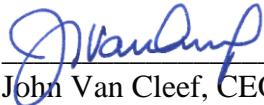
Note 6 – Related Party Transactions

During the year ended September 30, 2018, the Farm received approximately \$1,192,000 from Leichtag, its primary funder, in cash, in-kind administrative support, and in-kind rent.

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) MINI-GRANT (Choose one) REGULAR GRANT

Project Name: CRC Homeless Prevention and Intervention Date Submitted:	Total # of people served: 2219 Total # of San Marcos residents served: 83	Amount Requested: \$7,500
Non-Profit Organization Name and Address, Website Community Resource Center (CRC) 650 Second Street, Encinitas CA 92024 760-753-1156 http://crcncc.org/		Contact Person – Name, Title & Phone, email Richard Radosh Grants & Contracts Manager 760-230-6308 rradosh@crcncc.org
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>CRC is requesting \$7,500 to help reduce and prevent homelessness in North County San Diego by providing the tools necessary to enable families and individuals to obtain or maintain housing. CRC meets the needs of homeless individuals and families and those at risk of homelessness, including domestic violence survivors, through case management and related support services. 75 (4%) of CRC's more than 1,700 clients served this fiscal year 2019-20 year to date reside in San Marcos. Last December's Holiday Baskets program served 98 San Marcos residents and engaged 44 San Marcos volunteers.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>CRC's homeless prevention and intervention services improve the quality of life for North County and San Marcos residents by providing individuals who are homeless or at risk of homelessness - veterans, domestic violence survivors and their children, and seniors – with paths to safety, stability, and self-sufficiency. CRC Integrative Services and Food & Nutrition Center promote healthy, active life styles so that vulnerable populations in North County including San Marcos can improve self-sufficiency and focus on education, family wellness, and work.</p>		
<p>Please attach the following items.</p> <p>Both Mini-Grant & Regular:</p> <ol style="list-style-type: none"> 1. Budget for request (use SMCF Budget Worksheet) 2. Annual Operating budget for the organization or unit 3. Federal & State Tax ID numbers 4. Board of Directors listing with affiliations <p>5. Regular Grants Only:</p> <ol style="list-style-type: none"> a. 1-2 page narrative b. First 2 pages of Federal 990 c. Most recent year-end Statement or Audit including any management letters associated with Audit. d. Signature of President or Authorized Officer on Application e. Optional: letters of support 		<p>Expected date project will begin/end: July 1, 2020 – June 30, 2021 (ongoing year-round program)</p> <p>Date by which funds will be expended: 6/30/21</p> <p>Signature of President or Authorized Officer  <u>03/30/2020</u> John Van Cleef, CEO Date</p> <p>Submit Via Mail, In Person or Via Email to: San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): jimagee@san-marcos.net</p>

SAN MARCOS COMMUNITY FOUNDATION
Budget Worksheet

Provide an itemized list of expenses for this project:
 (example – 72 bicycle helmets at \$7.80 each including tax = \$561.60)

Personnel Expense	
Salaries & Wages	\$214,289
Fringe/Taxes	\$70,714
Subtotal Personnel Expense	\$285,003
Direct Expenses	
Automobile Expense	\$9,600
Employees, Board & Volunteers - hiring costs, mileage reimbursement	\$4,700
Occupancy Expense	\$60,000
Operating Expense	\$29,600
Professional Fees	\$2,000
Program Expense - Food purchase, financial assistance	\$150,000
Depreciation Expense	\$27,100
Sub-total Direct Expenses	\$283,000
Total budget for this PROJECT:	\$568,003

Grant Request Amount: **\$7,500**
(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)

Is this a challenge grant? no Could it be? no

Please list any other funding sources for this project.

**Indicate if funds are committed (C), conditional (CD), or pending (P).

Amount	Name of source
\$466,200	Government Grants/Contracts (C)
\$40,000	Private Grants & Foundations (\$10,000 C; \$30,000 P)
\$ 66,000	Other - program share of Resale Store Net Revenue (P)

Community Resource Center Budget FY 2020	
	Amount
Income	
Fundraising Events	\$296,500
Government Grants/Contracts	\$2,233,519
Other Revenue	\$0
Private Grants & Foundations	\$385,000
Program Service Revenue	\$42,000
Public Support/Donations	\$1,301,000
4500 · Resale Store Sales	\$1,317,125
Total Income	\$5,575,144
Expense	
Automobile Expense	\$21,000
Employees, Board & Volunteers	\$56,900
Fundraising Expenses	\$130,500
Occupancy Expense	\$573,300
Operating Expense	\$245,700
Personnel Expenses	\$2,972,800
Professional Fees	\$50,500
Program Expense	\$1,367,215
5950 · Depreciation Expense	\$115,742
Total Expense	\$5,533,657
Net Gain/Loss	\$41,487



RS Department of the Treasury

Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0752258385
Mar. 12, 2018 LTR 4168C 0
95-3497926 000000 00
00037926
BODC: TE

COMMUNITY RESOURCE CENTER
SAN DIEGO R C
650 2ND ST
ENCINITAS CA 92024-3560

250
260
270

370654

Employer ID Number: 95-3497926
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Mar. 01, 2018, regarding your tax-exempt status.

We issued you a determination letter in October of 1980, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c) (3).

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Section 509(a)(2).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).



FRANCHISE TAX BOARD

SACRAMENTO, CALIFORNIA 95867
Telephone: (800)852-5711December 13, 1979
In reply refer to
344: TLC:vc:gCOMMUNITY RESOURCE CENTER
Attn.: Ronald W. Egger
275 Estrelita Dr.
Vista, CA 92083

Purpose	:	Charitable
Form of Organization	:	Corporation
Accounting Period Ending	:	September 30
Organization Number	:	0967931

On the basis of the information submitted and provided your present operations continue unchanged or conform to those proposed in your application, you are exempt from state franchise or income tax under Section 23701d, Revenue and Taxation Code. Any change in operation, character or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address also must be reported.

You are required to file Form 199 (Exempt Organization Annual Information Return) or Form 199B (Exempt Organization Annual Information Statement) on or before the 15th day of the 5th month (4 1/2 months) after the close of your accounting period. See annual instructions with forms for requirements.

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 3rd month (2 1/2 months) after the close of your annual accounting period.

If the organization is incorporating, this approval will expire unless incorporation is completed with the Secretary of State within 60 days.

Exemption from federal income or other taxes and other state taxes requires separate applications.

Robert Lute
Robert Lute, Manager
Exempt Organization Section

*This exemption effective November 26, 1979.

cc: Registry of Charitable Trusts



**Board of Directors
FY 2019-2020**

**Katrina Dodson, President
Broker Associate, Nancarrow Realty Group**

**Jo Ann Shannon, Vice President
Project Management and Owner Representation, JCL Services, LLC**

**Emmy Sobieski, Secretary
Consultant, Philanthropist/Community Volunteer**

**Sabra Norris, Treasurer
Global Director of Business Analytics, Gemological Institute of America, Inc.**

Lindsey Brubaker District Manager, Wells Fargo

Susan Chance Philanthropist/Community Volunteer

Anne Daigle Philanthropist/Community Volunteer

Randy Gorman La Jolla Capital Group

Ella Holders Owner, Classic Forwarding, Philanthropist/Community Volunteer

Elizabeth Leonard Philanthropist/Community Volunteer

Patricia Moore Philanthropist/Community Volunteer

Mary Murphy Retired Human Resources Director, Philanthropist

Teri O'Brien Partner, Paul Hastings LLP

Tony Pata Nicholas Investment Partners

Shawn Pynes, MMA Retired Executive

Andy Rinde Retired Health Care Management Executive

Craig Shugert CEO, LifeWalker Mobility Products



650 Second Street, Encinitas, CA 92024 • (760) 753-1156 • CRCNCC.org

2020 San Marcos Community Foundation - Application Narrative

Organization – Mission – History

CRC's mission is creating paths to safety, stability, and self-sufficiency. CRC provides emergency assistance, case management services, counseling, shelter, and food assistance. CRC is the primary provider of social services and domestic violence programs in coastal North County San Diego, serving more than 2300 households (6,000 individuals) annually without regard to race, religion, gender identity, orientation, ethnicity, age, or immigration status. CRC provides a continuum of support – healthy food and hygiene items, nutrition counseling, safe, affordable housing, case management, employment assistance, financial literacy classes, housing aid such as rental assistance or other housing-related expenses, and mental health counseling - to individuals and families who are homeless or at risk of homelessness, including domestic violence survivors.

CRC develops resources to ensure access to safe, affordable housing. CRC provides screenings, assessments, case management, food and hygiene items, nutrition counseling, low-cost or free mental health counseling, referral to medical or mental health specialists as needed; financial literacy classes, employment assistance, and flexible supportive housing assistance to retain or obtain permanent housing. CRC addresses social determinants of health with trauma informed services designed to promote safety, stability and self-sufficiency. Social determinants of health are the social, economic, and environmental conditions where people live, learn, work, play, and age that are drivers of health and wellbeing. Food insecurity, access to healthy food, homelessness, unstable housing, and poverty are key social determinants.

Unmet Community Need

CRC's programs are essential to the community to address persistent unmet needs -- lack of housing for those who are homeless, and lack of stabilizing support services for low income, at risk households to stay housed. Multiple sources demonstrate that the San Diego housing crisis, both affordability and attainability, continues because median family income and the median price to own or rent a home are significantly disproportionate. The economic barrier is greater for those who are homeless trying to find affordable rent. In 2019, the one day snapshot of homelessness (WeAllCount) for San Diego indicated that 8,102 were homeless, 4,467 were unsheltered, and 3,635 were sheltered. Of those unsheltered, 10% (nearly 450) were Veterans; 12% (537) were youth, 3% (more than 130) families with one or more children, 36% reported having a physical disability, and 78% reported becoming homeless while living in San Diego. In North County inland there were 776 homeless, 283 sheltered and 493 unsheltered. The North County coastal count totaled 764, 9.4% of total San Diego homeless.

One of eight people living in North County San Diego – 12.1% of the population – lives in poverty. Out of a population of 854,200, 27.2% have incomes below 200% of the Federal Poverty Level (FPL). For a family of four (two adults and two children), 200% FPL is an annual income below \$50,200 dramatically below the \$97,000 per year a family of four would need to make ends meet in San Diego County according to the Economic Policy Institute. In North County, 43.5% of adults living in poverty had jobs; 8,494 worked full-time yet earned less than FPL. (Center on Policy Initiatives). The San Diego Hunger Coalition reports that nearly half of adults (44%) and children (45%) in households below 200% FPL experience food insecurity including 60% of low-income single parent households, 50% of low-income adults living with a disability, and more than half (55%) who are employed. CRC's programs serve these vulnerable populations who struggle with poverty.

In 2017, there were 17,306 domestic violence incidents reported to law enforcement in San Diego County (Criminal Justice Research Division, SANDAG). In a sample study of 100 DV incidents reported to law enforcement, children were present in 37% of the cases. (San Diego Sheriff's Department). Domestic violence victims are included in the U.S. Department of Housing and Urban Development's (HUD) definition of homelessness:

"Persons experiencing domestic violence, particularly women and children with limited economic resources, are at increased vulnerability to homelessness. HUD recognizes this intersection between domestic violence and homelessness and wants stakeholders to share in their commitment to finding effective ways to serve this population."

Homeless persons are more likely to become ill, have greater hospitalization rates, and die younger than the general population. They have the same medical conditions, but differ in their long-term exposure to disease agents, overcrowding, unsanitary conditions, poor nutrition, sleep deprivation, violence, physical and emotional trauma, sexual abuse, and weather extremes. Uncontrolled hypertension, coronary artery disease, congestive heart failure, and peripheral vascular disease are common. Poor diet contributes to nutrition-related disorders and high prevalence of uncontrolled diabetes mellitus, hypercholesterolemia, and hypertension. (Maness and Khan, 2014)

Homeless Prevention and Intervention

CRC's homeless intervention and prevention work includes services to individuals and families who are homeless or at imminent risk of homelessness, including survivors of domestic violence. CRC provides case management, healthy food and hygiene items, counseling, and flexible supportive housing assistance. Of those to whom CRC provides comprehensive programming, 58% are female, 16% are seniors, and 15% report they are victims of domestic violence (with 57% declining to state, this number is likely higher).

CRC's Integrative Services (case management and housing navigation support) and Food & Nutrition Center respond to these needs with trauma informed case management, counseling, and healthy, nutritious food. CRC has a volunteer registered dietician who consults with participants to create personal health improvement plans addressing health challenges such as obesity and Type II diabetes. Case managers help each client to create a personal self-sufficiency plan which may include short term housing assistance, access to benefits, and steps to secure income and assets for sustainability. In addition to benefits such as CalFresh and Medi-Cal, CRC provides programs and services to help households understand how to manage those benefits and other sources of income. CRC partners provide financial education, coaching, employment readiness programs.

CRC's presence and benefit to San Marcos is shown by its Resale Store, 210 S. Ranch Santa Fe Road, established 15 years ago, which provides jobs, a client resource for clothing and home furnishings, community outreach, and a donation drop off site for San Marcos residents. CRC has an ongoing, collaborative relationship with CSUSM Social Sciences/Social Work/Psychology programs that enhances services to clients through internships for students working to complete required hours for their bachelor/master degrees. Lastly, CRC's Holiday Baskets program served 98 San Marcos residents and engaged 44 San Marcos volunteers.

CRC's overarching goal is to improve community health and wellness by addressing social determinants of health for low-income households - economic instability, unstable employment, food insecurity, housing instability, mental health care access – and work with community partners to provide complementary services such as workforce training, education, and access to healthcare which, together, lead to improved health and wellness for the individuals served and the community at large.

With the support of the San Marcos Community Foundation, CRC will continue to develop partnerships and expand outreach in San Marcos. Thank you for considering CRC's application.

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- Do not enter social security numbers on this form as it may be made public.
- Go to www.irs.gov/Form990 for instructions and the latest information.

2017

Open to Public
Inspection

A For the 2017 calendar year, or tax year beginning 7/01, 2017, and ending 6/30, 2018

B Check if applicable:	C COMMUNITY RESOURCE CENTER 650 2ND STREET ENCINITAS, CA 92024		D Employer identification number 95-3497926
			E Telephone number (760) 753-1156
			G Gross receipts \$ 5,530,628.
	F Name and address of principal officer: SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No,' attach a list. (see instructions)

I Tax-exempt status 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: ► CRCNCC.ORG

K Form of organization: Corporation Trust Association Other ► L Year of formation: M State of legal domicile:

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO PROVIDE FAMILIES SUFFERING FROM THE EFFECTS OF POVERTY, HOMELESSNESS, HUNGER, AND DOMESTIC VIOLENCE WITH SAFETY, STABILITY, AND A PATH TO SELF-SUFFICIENCY.		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Revenue	3 Number of voting members of the governing body (Part VI, line 1a)	3	17
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	17
Expenses	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	54
	6 Total number of volunteers (estimate if necessary)	6	2,198
Net Assets or Fund Balances	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 34.	7b	0.
		Prior Year	Current Year
	8 Contributions and grants (Part VIII, line 1h)	2,176,523.	3,206,161.
	9 Program service revenue (Part VIII, line 2g)	52,111.	39,089.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,880.	-147.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,248,588.	1,129,770.
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,480,102.	4,374,873.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,007,899.	2,140,226.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ► 331,781.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,377,750.	2,101,469.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,385,649.	4,241,695.
	19 Revenue less expenses. Subtract line 18 from line 12	94,453.	133,178.
		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	2,225,314.	2,205,744.
	21 Total liabilities (Part X, line 26)	543,498.	456,433.
	22 Net assets or fund balances. Subtract line 21 from line 20.	1,681,816.	1,749,311.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	► Signature of officer	Date			
	► JOHN VAN CLEEF	CEO			
	Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name EMIN SHAHBAZIAN, CPA	Preparer's signature EMIN SHAHBAZIAN, CPA	Date	Check <input type="checkbox"/> if self-employed	PTIN P01761638
	Firm's name ► YSR CPA GROUP PC	Firm's EIN ► 82-1853384			
	Firm's address ► 3715 MARKET ST GLENDALE, CA 91208	Phone no. 818-330-9752			

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

BAA For Paperwork Reduction Act Notice, see the separate instructions.

TEEA0113L 08/08/17

Form 990 (2017)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

TO PROVIDE FAMILIES SUFFERING FROM THE EFFECTS OF POVERTY, HOMELESSNESS, HUNGER, AND DOMESTIC VIOLENCE WITH SAFETY, STABILITY, AND A PATH TO SELF-SUFFICIENCY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?.....

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?.... Yes No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 1,355,855. including grants of \$ _____) (Revenue \$ _____)

COMMUNITY RESOURCE CENTER SERVED 7,649 LOW-INCOME INDIVIDUALS THROUGH OUR COMPREHENSIVE PROGRAMS IN FY 2017/18: INTEGRATED CASE MANAGEMENT; EMERGENCY FOOD, HOUSING, RENTAL AND UTILITY ASSISTANCE; BENEFITS APPLICATIONS; TRANSPORTATION ASSISTANCE; ACCESS TO HEALTHY FOOD; TAX PREPARATION; FINANCIAL LITERACY TRAINING; FAMILY SELF-SUFFICIENCY; EMPLOYMENT READINESS; AND HOLIDAY BASKETS.

4b (Code: _____) (Expenses \$ 967,923. including grants of \$ _____) (Revenue \$ 39,089.)

COMMUNITY RESOURCE CENTER'S DOMESTIC VIOLENCE PROGRAMS INCLUDE AN EMERGENCY SHELTER; TRANSITIONAL HOUSING; RENTAL ASSISTANCE; LEGAL ADVOCACY; COUNSELING; FINANCIAL LITERACY EDUCATION; FOOD AND NUTRITION EDUCATION; EMPLOYMENT PREPARATION; AND A THERAPEUTIC CHILDREN'S PROGRAM. IN FY 2017-18, 242 FAMILIES WERE SERVED IN THE SHELTER. 97% OF DV PROGRAM PARTICIPANTS DID NOT RETURN TO THEIR ABUSERS.

4c (Code: _____) (Expenses \$ 928,435. including grants of \$ _____) (Revenue \$ 1,120,597.)

COMMUNITY RESOURCE CENTER'S RESALE STORES, IN ADDITION TO GENERATING NET INCOME FOR THE AGENCY'S ACTIVITIES, IS A SOURCE OF CLOTHING, FURNITURE AND HOUSEHOLD GOODS FOR BOTH DOMESTIC VIOLENCE AND SOCIAL SERVICE CLIENTS; PROVIDES EMPLOYMENT OPPORTUNITIES FOR LOW-INCOME INDIVIDUALS; AND IS A SOURCE OF LOW-COST GOODS FOR LOCAL FAMILIES.

4d Other program services (Describe in Schedule O.)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► 3,252,213.

COMMUNITY RESOURCE CENTER

FINANCIAL STATEMENTS

June 30, 2018



YSR CPA GROUP, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

AUDIT + TAX + ADVISORY

COMMUNITY RESOURCE CENTER
FINANCIAL STATEMENTS
June 30, 2018

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position as of June 30, 2018	3
Statement of Activities for the Year Ended June 30, 2018	4
Statement of Functional Expenses for the Year Ended June 30, 2018	5
Statement of Cash Flows for the Year Ended June 30, 2018	6
Notes to Financial Statements	7 - 15
SUPPLEMENTAL INFORMATION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	16
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	18
Schedule of Expenditures of Federal Awards	20
Notes to Schedule of Expenditures of Federal Awards	21
Schedule of Findings and Questioned Costs	22



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Resource Center

Report on the Financial Statements

We have audited the accompanying financial statements of Community Resource Center (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 Community Resource Center as of June 30, 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2019, on our consideration of Community Resource Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Resource Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Resource Center's internal control over financial reporting and compliance.

YSR CPA Group, P.C.

Encinitas, California
June 7, 2019

COMMUNITY RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION
June 30, 2018

6/30/18

ASSETS

CURRENT ASSETS

Cash	\$ 385,586
Accounts receivable, net	9,847
Grants and contributions receivable, net	398,990
Inventory	64,674
Prepaid expenses and other assets	<u>63,351</u>

TOTAL CURRENT ASSETS \$ 922,448

NON CURRENT ASSETS

Contribution receivable, net	63,402
Deposits	38,241
Property and equipment, net	1,156,053
Donated property	<u>25,600</u>
	1,283,296

TOTAL ASSETS \$ 2,205,744

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 27,221
Accrued expenses	138,418
Line of credit	100,000
Current portion of note payable	<u>4,536</u>
	TOTAL CURRENT LIABILITIES \$ 270,175

TOTAL CURRENT LIABILITIES \$ 270,175

NONCURRENT LIABILITIES

Other liabilities	4,403
Note payable, net of current portion	<u>181,855</u>

TOTAL NONCURRENT LIABILITIES \$ 186,258

TOTAL LIABILITIES \$ 456,433

COMMITMENTS & CONTINGENCIES

NET ASSETS

Unrestricted	1,668,285
Temporarily restricted	<u>81,026</u>

TOTAL NET ASSETS \$ 1,749,311

TOTAL LIABILITIES AND NET ASSETS \$ 2,205,744

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

COMMUNITY RESOURCE CENTER
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 933,732	\$ 398,485	\$ 1,332,217
Grants	1,305,024	-	1,305,024
Resale shop sales net of \$1,136,211 of cost of sales of donated goods	1,120,597	-	1,120,597
Special events, net direct expenses of \$11,737	82,648	-	82,648
In kind contributions	495,446	-	495,446
Program services	39,089	-	39,089
Investment loss	(147)	-	(147)
Loss on disposal of other asset	(3,792)	-	(3,792)
Net assets released from restrictions, satisfaction of program restrictions	<u>430,144</u>	<u>(430,144)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	4,402,741	(31,659)	4,371,082
EXPENSES			
Program services			
Integrative services	1,360,504	-	1,360,504
Domestic violence	971,242	-	971,242
Resale store	931,619	-	931,619
Supporting services			
Management and general	682,099	-	682,099
Fundraising	<u>358,122</u>	<u>-</u>	<u>358,122</u>
TOTAL EXPENSES	<u>4,303,586</u>	<u>-</u>	<u>4,303,586</u>
INCREASE (DECREASE) IN NET ASSETS	99,155	(31,659)	67,496
NET ASSETS AT BEGINNING OF YEAR	<u>1,569,130</u>	<u>112,685</u>	<u>1,681,815</u>
NET ASSETS AT END OF YEAR	\$ <u>1,668,285</u>	\$ <u>81,026</u>	\$ <u>1,749,311</u>

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

COMMUNITY RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018

	Program Services						Supporting Services		
	Domestic		Resale Stores		Total Program Services		Management and general		
	Integrative Services	Violence and Emergency Shelter					Fundraising	Total Supporting Services	Total
Salaries and wages	\$ 371,492	\$ 451,839	\$ 364,003	\$ 1,187,334	\$ 353,156	\$ 163,552	\$ 516,708	\$ 1,704,042	
Employee benefits	60,886	74,055	111,816	246,757	35,826	26,806	62,632	309,389	
Payroll taxes	31,785	38,741	26,701	97,227	16,253	13,315	29,588	126,795	
Professional fees	5,914	4,252	24,441	34,607	127,458	81,740	209,198	243,805	
Advertising	32	30	6,403	6,465	252	39	291	6,756	
Office expenses	43,576	85,379	17,811	146,766	44,025	10,139	54,164	200,930	
Information technology	20,199	17,340	7,367	44,906	12,640	13,872	26,512	71,418	
Occupancy	68,773	48,690	309,826	427,289	14,288	4,864	19,152	446,441	
Travel	3,848	5,243	300	9,391	2,669	729	3,398	12,789	
Interest expense	-	-	-	-	11,161	-	11,161	11,161	
Depreciation	28,905	41,055	19,583	89,543	8,514	2,356	10,870	100,413	
Insurance	3,823	6,019	6,890	16,732	8,958	-	8,958	25,690	
Postage and shipping	1,243	1,683	52	2,978	1,075	855	1,930	4,908	
Direct program expense	690,781	180,592	-	871,373	559	-	559	871,932	
Fundraising expense	15,154	936	8,294	24,384	3,213	-	17,009	17,009	
Auto expense	-	101	20,654	20,755	7,061	4,448	3,213	27,597	
Bank charges and fees	4,500	4,761	-	9,261	13,513	10,000	11,509	32,264	
Bad debt and uncollectible pledges	1,549	1,932	479	3,960	18,016	2,698	23,513	32,774	
Staff and board development	6,656	3,276	6,256	16,188	1,476	231	20,714	24,674	
Supplies	1,388	5,318	743	7,449	1,986	5,469	1,707	17,895	
Miscellaneous							7,455	14,904	
	\$ 1,360,504	\$ 971,242	\$ 931,619	\$ 3,263,365	\$ 682,099	\$ 358,122	\$ 1,040,221	\$ 4,303,586	

COMMUNITY RESOURCE CENTER**STATEMENT OF CASH FLOWS**

For the Year Ended June 30, 2018

6/30/18**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 67,496
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	100,413
Donated resale inventory	7,807
Loss on disposal of other asset	3,792
Changes in operating assets and liabilities:	
Accounts receivable	(14,825)
Grants and contributions receivable, net	(83,945)
Prepaid expenses and other assets	(3,170)
Deposits	(3,077)
Accounts payable	(21,971)
Accrued expenses	(62,091)
Other liabilities	1,496
	<hr/>
CASH USED BY OPERATING ACTIVITIES	(8,075)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<hr/> (14,731)
	<hr/> (14,731)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on note payable	<hr/> (4,499)
	<hr/> (4,499)

NET DECREASE IN CASH (27,305)

CASH AT BEGINNING OF YEAR 412,891

CASH AT END OF YEAR \$ 385,586

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

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Resource Center (the “Organization”) was organized as a California Nonprofit Public Benefit Corporation in 1979. Its purpose is to provide families in need, who are facing hunger, homelessness and victims of domestic violence with safety, stability, and a path to self-sufficiency. The Organization is supported by donor contributions, private and government grants and net proceeds from resale stores and events.

The following is a brief description of the Organization’s programs:

Integrative Services

The Organization’s integrative services programs served 2,158 households in need in 2018.

These comprehensive services included:

- Homelessness prevention, providing shelter access, motel vouchers, and rental assistance.
- Access to healthy food and nutritional education programs.
- Employment preparation and job location assistance.
- Financial literacy programs and volunteer income tax preparation (VITA).
- Service referrals to collaborating agencies.
- Counseling.
- Holiday Baskets Program (the largest distribution of food, essentials and toys of its kind in San Diego County, which served 1,432 households in December 2017).

With the hands-on participation of the Organization’s program staff, the Organization’s clients create and execute personalized self-sufficiency plans that increase their housing and financial stability, as well as their level of self-sufficiency.

During the year ended June 30, 2018, the Organization secured transitional or permanent housing for 38% of clients who participated in the Organization’s emergency shelter programs.

The Counseling program enables clients to attain mental and emotional stability, which, in combination with other Organization services, enables clients to more effectively manage personalized plans for self-sufficiency.

Domestic Violence and Emergency Shelter

The Organization’s domestic violence program includes Carol’s House emergency domestic violence shelter, a transitional housing program, and domestic violence community services. Clients receive a wide range of supportive services, including case management, counseling and group therapy, life skills classes, legal advocacy, the therapeutic children’s program, and referrals to outside services.

During the year ended June 30, 2018, the Organization served 50 households and 85 children in Carol’s House and 12 households and 29 children in the transitional housing program. CRC also served community-based clients including 99 adults and 18 children in counseling, 11 adults in case management, and 17 adults in legal advocacy services for a total of 131 adults and 111 children served across the domestic violence programs.

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As a result of program participation, 93% of adults increased their self-esteem, 79% improved their problem-solving, communication, household management, and employment skills and 89% increased or maintained their financial stability. In addition, 93% of children improved their self-concept and 91% reduced symptoms of depression and anxiety upon completion of the program.

Financial Statement Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization's net assets and its revenues, expenses, gains and losses are reported based on the existence or absence of donor-imposed restrictions. The Organization reports information regarding its financial position and operations according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- *Unrestricted net assets* represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- *Temporarily restricted net assets* consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.
- *Permanently restricted net assets* are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Organization did not have any permanently restricted net assets during the year ended June 30, 2018.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The Organization had no financial instruments at June 30, 2018.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. The allowance for doubtful grants and contributions receivable totaled \$15,404 at June 30, 2018.

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Resale Shop Inventory

The resale shop inventory consists of items that have been donated by individuals in the community. Because many of the donations are used items, the value of donations is not readily determinable until such items are sold. Sales on donated items are recorded at the point of sale. Valuable donated items, such as jewelry or artwork, with a readily determinable fair market value are recorded at their appraised value or the value based on prices of identical or similar assets in the marketplace.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Buildings	31.5 years
Leasehold improvements	5 – 15 years
Furniture and fixtures	3 – 7 years
Automobile	4 years
Software	5 years

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Compensated Absences

Vested and accumulated personal time off (PTO) is recorded as an expense and liability as benefits accrue to employees. The accrued PTO liability totaled \$61,623 at June 30, 2018 and is included in accrued expenses in the statement of financial position.

Revenue Recognition

Government grant revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant.

Contributions and grants are recognized when unconditionally promised to or received by the Organization and are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restricted is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services from volunteers for the year ended June 30, 2018 did not meet the requirements above; therefore no amounts were recognized in the financial statements.

A law firm that employs one of the Board members provided legal services to the Organization without charge. During the year ended June 30, 2018, the Organization recognized revenue and related expense of \$61,891 in-kind services.

Donated Goods

Revenues from in-kind contributions are recognized in accordance with generally accepted accounting principles and are recorded at the fair value of the products or services surrendered. Fair value is determined by using comparable market rates at the time of the transaction.

In-kind contributions of goods used for program services with an estimated fair value of \$494,935 for the year ended June 30, 2018 are included in in-kind contributions in the statement of activities.

In-kind contributions of donated goods and materials with an estimated fair value of \$1,128,404 for the year ended June 30, 2018 reduce resale stores revenue on the statement of activities.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Income generated from activities unrelated to the Organization's exempt purpose is subject to tax under IRC Section 511. The Organization did not have any unrelated business income for the years ended June 30, 2018, and therefore, no provision for income taxes has been made.

The Organization follows the provision of uncertain tax positions as addressed in FASB Accounting Standards Codification. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. The Organization believes that it has taken no significant uncertain tax positions for the years ended June 30, 2018. Management believes the Organization is no longer subject to income tax examinations by applicable taxing jurisdictions for the years prior to June 30, 2014.

Advertising

The Organization expenses the cost of advertising as incurred. Advertising expense for the year ended June 30, 2018 was \$6,756.

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Financial Statement Presentation, which eliminates the requirement for non-for-profits (NFPs) to classify net assets as unrestricted, temporarily restricted and permanently restricted. Instead, NFPs will be required to classify net assets as net assets with donor restrictions or without donor restrictions. Among other things, the guidance also modifies required disclosures and reporting related to net assets, investment expenses and qualitative information regarding liquidity. NFPs will also be required to report all expenses by both functional and natural classification in one location. The provisions of ASU 2016-14 are effective for annual periods beginning after December 15, 2017 and interim periods thereafter. Early adoption is permitted. Management has not completed the process of evaluating the impact of ASU 2016-14 on its financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The ASU requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases and makes certain changes to the accounting for lease expenses. ASU 2016-02 is effective for entities other than public business entities, certain not-for-profit entities, and certain employee benefit plans for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The ASU is to be applied using a modified retrospective approach with optional practical expedients and other special transition provisions. Early adoption is permitted.

In July 2018, the FASB issued ASU 2018-11 Leases (Topic 842): Targeted Improvements providing an additional and optional transition method for the adoption of ASU No. 2016-02, which allows the initial application of the guidance at the adoption date with recognition of a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Entities that have not yet adopted ASU No. 2016-02 should use the same effective date and transition requirements (as amended) as those in ASU No. 2016-02. Management is currently evaluating the impact of the ASU on the financial statements.

In June 2018, the FASB released ASU 2018-08, Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made. The update provides clarifying accounting guidance for contributions received and contributions made about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments in this update include (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. For contributions, an entity should follow the guidance in Subtopic 958-605, whereas for exchange transactions, an entity should follow other guidance (for example, Topic 606, Revenue from Contracts with Customers). Thus, the accounting may be different depending on the guidance applied. The provisions of ASU 2018-08 are effective for annual periods beginning after December 15, 2018 and interim periods thereafter. Early adoption is permitted. Management has not completed the process of evaluating the impact of ASU 2018-08 on its financial statements.

NOTE 2. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash. The Organization maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. At June 30, 2018, the Organization exceeded federally insured limits by \$122,374. Management has not experienced any losses in the past and does not believe the Organization is exposed to any significant risk.

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of the following at June 30:

	<u>6/30/18</u>
Contributions receivable	\$ 234,258
California Office of Emergency Management	145,868
City of Encinitas	47,018
Department of Housing and Urban Development	41,387
Other	<u>5,885</u>
Total grants and contributions receivable	474,416
Less: allowance for doubtful accounts	(10,426)
Less: discount on long term pledge	<u>(1,598)</u>
	<u>\$ 462,392</u>

At June 30, 2018, a contribution receivable from a single donor in the amount of \$65,000 is due in more than one year.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>6/30/18</u>
Buildings	\$ 1,234,827
Leasehold improvements	369,961
Furniture and fixtures	79,335
Vehicles	62,412
Computers and software	119,437
Equipment	<u>64,728</u>
	1,930,700
Less accumulated depreciation	<u>(1,314,584)</u>
	616,116
Land	<u>539,937</u>
	<u>\$ 1,156,053</u>

Depreciation expense for the year ended June 30, 2018 was \$100,413.

NOTE 5. DONATED PROPERTY

Donated property consists of land in Apache County, Arizona donated to the Organization. The property was recorded at fair value based on the value of the County Tax Assessor upon acquisition. The impairment of long-lived donated property was \$13,600 as of June 30, 2018.

NOTE 6. LINE OF CREDIT

The Organization executed a line-of-credit with U.S. Bank in the amount of \$100,000, originally dated September 30, 2015, with interest calculated at the bank's prime rate plus 1% (6.0% at June 30, 2018) collateralized by investment in real estate. On October 6, 2017, U.S. Bank extended the line-of-credit through September 30, 2018 and increased the available balance to \$200,000. All other terms and conditions remained the same, and the line-of-credit is collateralized by investment in real estate. The line-of-credit balance totaled \$100,000 at June 30, 2018.

See accompanying independent auditors' report

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 7. NOTE PAYABLE

Note payable consists of the following at June 30:

6/30/18

Note payable to U.S. Bank in the amount of \$197,452, payable in monthly installments of \$1,145 including interest at 4.83% due on October 15, 2025. The note is collateralized by investment in real estate.	\$ 186,391
Less current portion	4,536
	<u>\$ 181,855</u>

At June 30, 2018, principal payments are due as follows:

Year Ending <u>June 30</u>	
2019	\$ 4,536
2020	4,759
2021	4,995
2022	5,241
2023	5,500
Thereafter	161,360
	<u>\$ 186,391</u>

NOTE 8. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30:

6/30/18

Transitional Housing	\$ 30,000
Shelter	16,585
Purchase of new vehicle	34,441
	<u>\$ 81,026</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors in the amount of \$430,144 during the year ended June 30, 2018.

NOTE 9. TRANSFERS OF ASSETS TO A RECIPIENT ORGANIZATION THAT RAISES OR HOLDS CONTRIBUTIONS FOR OTHERS

Beneficial Interest in Endowment Funds

The Organization has a beneficial interest in funds held at Rancho Santa Fe Foundation (RSFF). The Organization has not recorded this asset in the accompanying financial statements. The Organization irrevocably transferred \$25,000 to the Rancho Santa Fe Foundation (RSFF) on December 29, 2004 to establish the Community Resource Center Endowment Fund. The Organization granted variance power to RSFF to carry out the purposes of the fund established by the transfer including but not limited to the power to retain, invest and reinvest the funds in any manner within the "prudent investor" standard and the power to commingle the assets of the established fund with those of other funds for investment purposes.

See accompanying independent auditors' report

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 9. TRANSFERS OF ASSETS TO A RECIPIENT ORGANIZATION THAT RAISES OR HOLDS CONTRIBUTIONS FOR OTHERS (continued)

Further, the RSFF was granted the ability to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to any specified organization if, in the sole discretion of the RSFF Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. RSFF's spending policy is to disburse 5% of the value of the fund annually, based on a historical average value of the fund. The calculation is based on the average value of the fund for twelve quarters prior to the date of the distribution. Distributions made are used to further the Organization's mission.

Currently, the value of each fund in the RSFF is determined on December 31st of each year. Administrative costs are charged annually against the Fund in accordance with the then current fee policy identified by the RSFF. Any costs to the RSFF in accepting, transferring or managing property donated to the RSFF for the established fund shall also be paid from the established fund. The Organization did not receive any distributions for the year June 30, 2018. The beneficial interest in funds held at Rancho Santa Fe Foundation totaled \$64,494 at June 30, 2018.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization leases administrative office facilities under an operating lease agreement that expires February 2021. The Organization also leases several properties for resale stores under non-cancelable operating lease agreements through June 2021. Rent expense, exclusive real estate taxes, maintenance and other related charges for the resale stores totaled \$246,772 for the year ended June 30, 2018.

Minimum future lease payments required under non-cancelable operating lease agreements (exclusive of real estate taxes, maintenance and other related charges) for the year ended June 30, 2018 are as follows:

Year Ending June 30,	
2019	\$ 258,984
2020	266,623
2021	<u>129,558</u>
	\$ <u>655,165</u>

Grants and Contracts

The Organization receives revenue from government grants and contracts which are subject to audit. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined. Management believes that any liability which may result from these audits is not significant.

Litigation

In the ordinary course of business, the Organization may be involved in litigation and other potential legal claims. The Organization carries insurance for these types of matters and in management's opinion the resolution of these matters will not have a material adverse effect on the financial condition or results of operations in the Organization.

COMMUNITY RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2018

NOTE 11. RETIREMENT PLAN

The Organization participates a SIMPLE IRA savings plan, which is qualified under the Internal Revenue Code and covers substantially all employees. Employees are eligible after they have earned \$5,000 during any two preceding years and reasonably expected to earn at \$5,000 during the current year. Employees may elect to defer up to \$12,500 of their salaries. The Organization matches 3% of the participant's elective deferrals to the Plan. The Organization paid contributions in the amount of \$20,024 during the fiscal year ended June 30, 2018.

NOTE 12. FUNCTIONAL ALLOCATION OF EXPENSES

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support services are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Organization's management.

NOTE 13. SUBSEQUENT EVENTS

On January 28, 2019, the maturity date on the line of credit as discussed in note 6 was extended to December 31, 2019.

The Organization has evaluated subsequent events through June 7, 2019, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Community Resource Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Resource Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 7, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Resource Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Resource Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Resource Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Resource Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

YSR CPA Group, P.C.

Encinitas, California
June 7, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Community Resource Center

Report on Compliance for Each Major Federal Program

We have audited Community Resource Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Resource Center's major federal programs for the year ended June 30, 2018. Community Resource Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Resource Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Resource Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Resource Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Community Resource Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Community Resource Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Resource Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Resource Center's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

YSR CPA Group, P.C.

Encinitas, California
June 7, 2019

COMMUNITY RESOURCE CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018

Federal/Pass-through Grantor and Program Title	Federal CFDA Number	Agency or Pass- through Grantor No.	Subrecipient Expenditures	Expenditures	Total
U.S. Department of Justice					
<i>Pass-through from California Governor's Office of Emergency Services</i>					
Domestic Violence Assistance Program	16.575	DV 16 08 8628	\$ -	\$ 88,945	
Domestic Violence Assistance Program	16.575	DV 17 09 8628	-	126,551	
Transitional Housing Program	16.575	XH 16 01 8328	-	323,893	
Total U.S. Department of Justice					539,389
U.S. Department of Health and Human Services					
<i>Pass-through from California Governor's Office of Emergency Services</i>					
Family Violence Prevention and Services/ Domestic Violence Shelter and Supportive Services	93.671	DV 16 08 8628	-	3,114	
Family Violence Prevention and Services/ Domestic Violence Shelter and Supportive Services	93.671	DV 17 09 8628	-	85,122	
Total U.S. Department of Health and Human Services					88,236
U.S. Department of Housing and Urban Development					
<i>Direct Program</i>					
Supportive Housing Program	14.235	CA 1598L9D06011600	-	144,227	
<i>Pass-through from City of Encinitas</i>					
Supportive Housing Program	14.235	N/A	-	19,162	
<i>Pass-through from City of Carlsbad</i>					
Supportive Housing Program	14.235	N/A	-	9,896	
Total U.S. Department of Housing and Urban Development					173,285
U.S. Department of the Treasury					
Volunteer Income Tax Assistance	21.009	17VITA0085	-	22,799	
Total U.S. Department of the Treasury					22,799
U.S. Department of Agriculture					
<i>Pass-through from California Department of Social Services</i>					
CalFresh Outreach Contract	10.561	16-SUB-000965	-	11,310	
Total U.S. Department of Agriculture					11,310
Total Expenditures of Federal Awards					\$ 835,019

COMMUNITY RESOURCE CENTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Resource Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Resource Center elected to use the 10% de minimus cost rate as covered in the Uniform Guidance 2.CFR.200.414 indirect costs.

COMMUNITY RESOURCE CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2018

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	None
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	None
Type of auditors’ report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR 200.516(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	Domestic Violence Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee under the Uniform Grant Guidance,
2.CFR.200.520? No

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings

None reported



HOPE through HOUSING
FOUNDATION

March 12, 2020

To the Kaiser Permanente San Diego team:

As President of Hope through Housing Foundation, please accept my endorsement of Community Resource Center's application for a Kaiser Foundation San Diego Community Benefit Grant in the mental health category.

I know of CRC's great work in mental health counseling, homeless prevention, and domestic violence services through our collaboration for low-income individuals living in San Diego County National Community Renaissance CORE affordable housing communities managed by our organization. CRC comes through for our seniors with holiday gift bags and boxes of food every Christmas.

CRC is a primary social service agency for coastal North County families in crisis. Numerous coastal cities support and benefit from CRC's domestic violence and homeless prevention work. Based on our experience, CRC is a capable, collaborative leader in public health.

Sincerely,

Gregory Bradbard

President, Hope Through Housing Foundation

Sr. Vice President, National CORE

(909) 204-3436

9421 Haven Avenue

Rancho Cucamonga, CA 91730

Carol,

You requested a more detailed explanation of how CRC would use a grant from San Marcos Community Foundation to reduce and prevent homelessness in North County San Diego.

A \$7,500 grant will partially underwrite CRC's Homeless Prevention Services, providing flexible housing assistance, food, and case management to vulnerable households, including San Marcos individuals and families.

CRC will use the grant to aid homeless individuals and families, and those at risk of homelessness, including domestic violence survivors. These funds would be allocated to general program support to allow us to use them where the need is greatest:

- Food & Nutrition Center personnel costs and food purchases, but may also include warehousing of food, warehouse equipment, food transport and distribution, personal protective equipment, and sanitation supplies in order to provide participants, including San Marcos residents, with nutritious food – non-perishables, fresh produce, meat, and dairy - and personal hygiene items (including diapers) at weekly food distribution visits.
- Housing assistance, for use in screening assessment of households experiencing homelessness, or who are at imminent risk of homelessness, with the most appropriate interventions such as diversion - focus on crisis resolution strategies to prevent households from entering into homelessness or shelter by utilizing alternative problem solving options outside of the homeless system; placement in permanent housing using a progressive engagement and housing first model; and housing and supportive services based on each household's need such as payment of rental arrears, late fees, landlord mediation/advocacy, short-term rental assistance, security deposits, new move-in expenses (movers, essential furniture, etc.), utility deposits or arrears, employment assistance (transportation, essential clothing, etc.), and reunification/relocation expenses.

Your grant will also help CRC meet its matching funds requirements for government grants, thereby leveraging your investment in community building. CRC's homelessness prevention and intervention program relies on the support of many funders who, like you, see value in providing these services and understand that the impact of multiple funders is far greater than each individual gift.

Thank you for considering CRC's request.

Richard M. Radosh, J.D.
Grants & Contracts Manager | Community Resource Center
o. 760.230.6308

CRCNCC.org | Domestic Violence Hotline: 877.633.1112
LGBTQ & Child Safe Zone

[**COVID-19 updates >**](#) [**Create brighter futures for neighbors in need >**](#)

The matter contained in this transmission is intended solely for the person or persons to whom addressed. In addition, this matter may also be confidential. If this transmission is received by anyone other than the person(s) listed above, please call or contact the sender immediately and forward the received transmission to same. Please destroy any remaining copies, including electronic copies. Thank you.

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) MINI-GRANT (Choose one) REGULAR GRANT

Project Name: Home-Delivered Meal Service – San Marcos Date Submitted: 4/1/2020	Total # of people served: 939 Total # of San Marcos residents served: 21	Amount Requested: \$5,000
Non-Profit Organization Name and Address, Website Mama's Kitchen 3960 Home Ave. San Diego, CA 92105	Contact Person – Name, Title & Phone, email Jenna Novotny Director of Development (619) 233- 6262 jenna@mamaskitchen.org	

Briefly describe your request for funds (to be expanded upon in narrative for regular grant):

At Mama's Kitchen, we envision a community where critically ill individuals are no longer vulnerable to malnutrition. We are requesting support for our Home-Delivered Meal Service – San Marcos. This program delivers medically tailored meals to San Marcos residents who are at risk of malnutrition due to HIV, cancer, type 2 diabetes, or congestive heart failure. Our deliveries provide three daily meals, every day of the year, at no cost to clients. Whenever necessary, meals are also delivered to recipients' dependent children, in order to increase food security for the whole household.

We are requesting a \$5,000 grant from the San Marcos Community Foundation to purchase food and meal containers for our Home-Delivered Meal Service – San Marcos. Food and container costs have an average of \$2.34 per meal. A \$5,000 gift from the Foundation would provide approximately 2,136 meals to San Marcos residents.

Briefly describe the significance of your request to the San Marcos community:

In Fiscal Year 2019, Mama's Kitchen delivered 3,099 meals to 21 San Marcos residents. During the first nine months of Fiscal Year 2020, we have already delivered 5,199 meals to 26 San Marcos residents. These numbers represent a 68% increase in meals delivered and an 86% increase in clients served. This dramatic growth in our service is due to our growing partnerships with Palomar Hospital, Vista Community Clinic and other referral partners across North County.

Please attach the following items.	Expected date project will begin/end: 6/1/2020
Both Mini-Grant & Regular:	Date by which funds will be expended: 6/30/2021
1. Budget for request (use SMCF Budget Worksheet) 2. Annual Operating budget for the organization or unit 3. Federal & State Tax ID numbers 4. Board of Directors listing with affiliations	Signature of President or Authorized Officer   Alberto Cortés, CEO
5. Regular Grants Only: a. 1-2 page narrative b. First 2 pages of Federal 990 c. Most recent year-end Statement or Audit including any management letters associated with Audit. d. Signature of President or Authorized Officer on Application e. Optional: letters of support	4/1/2020
Submit Via Mail, In Person or Via Email to: San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): imagee@san-marcos.net	

Mama's Kitchen

Home-Delivered Meal Service – San Marcos

Mission:

Mama's Kitchen, a community-driven organization, believes that everyone is entitled to the basic necessity of life — nutritious food. Our nutrition services improve the lives of women, men, and children vulnerable to hunger due to HIV, cancer, or other critical illnesses.

Program Description:

Mama's Kitchen's Home-Delivered Meal Service provides the food our clients need to avoid malnutrition, increase medication adherence, improve health outcomes, lower healthcare costs, and improve quality of life. We address food insecurity within the whole household by delivering meals to clients' dependent children.

The Home-Delivered Meal Service – San Marcos is implemented through the following activities:

1. Our network of referral partners identifies individuals living with HIV, cancer, heart failure or type 2 diabetes. Within 24-72 hours of referral, new clients receive their first meal delivery.
2. During intake, our registered dietitians assess the client's current nutritional status and treatment plan. Together, they determine individualized nutrition goals.
3. With the support and supervision of our executive chef, meals are prepared and packaged by volunteers. We use a six-week menu cycle which includes 19 different diet plan variations to meet the dietary needs of all clients.
4. On Tuesdays and Fridays, Mama's Kitchen volunteers deliver meals to client homes. Each delivery contains three meals per day, plus healthy snacks, until the next delivery.
5. Our two registered dietitians call and visit clients to provide ongoing nutritional education.
6. Healthcare providers recertify client eligibility every six months.

The success of our medically tailored nutrition program is reinforced by research. A 2017 peer-reviewed study from UC San Francisco found that patients affected by HIV and/or diabetes who received medically tailored meal deliveries had a 63% reduction rate in hospitalizations, a 36% reduction in visits to the emergency room, and a 50% increase in medication adherence. In FY 2019, 85% of Mama's Kitchen clients reported that their health has improved since receiving our meals.

Our clients tell the Mama's Kitchen story best. Meet Gina, a client battling cancer:

Mama's Kitchen helped me tremendously. I used to take food for granted. I never thought I would be someone who was too sick and too poor to even buy and cook food. But there I was – sick, hungry and alone. Mama's Kitchen made sure I didn't go hungry. I probably would have died without them. I'll be forever grateful.

Who We Serve:

Mama's Kitchen collaborates with a network of 228 health care professionals and case managers who serve as our referral partners. Our partners are often the first point of contact for our target population and are best suited to assess those vulnerable to malnutrition due to critical illness. In San Marcos, our key referral partners include Palomar Hospital, Vista Community Clinic, North County Health Services, and Scripps Home-Based Care.

In order to qualify for our Home-Delivered Meal Service – San Marcos, an individual must:

1. Receive a referral from a health care provider or case manager verifying a diagnosis of HIV, cancer, type 2 diabetes or congestive heart failure,
2. Be physically and/or mentally unable to prepare meals for themselves, and
3. Be a resident of San Marcos.

Our Home-Delivered Meal Service – San Marcos clients can be described by the following demographics:

Ethnicity		Age		Gender	
Asian	5%	2 to 18	14%	Male	24%
Black/African American	10%	19 to 35	0%	Female	76%
Latino	43%	36 to 55	24%		
White	38%	56 to 64	24%		
More than one race	5%	65+	38%		

Although low income is not a requirement for participation in our program, 80% of our current San Marcos clients are considered low- or moderate-income by Housing and Urban Development Standards. In FY 2019, the average income of Mama's Kitchen's clients was just \$1,014 per month. The Fred Hutchinson Cancer Center reports that cancer patients are 2.5 times more likely to declare bankruptcy than healthy people. Additionally, patients who go bankrupt are 80% more likely to die from the disease than other cancer patients. By providing clients with breakfast, lunch, dinner and healthy snacks, our program allows them to use their extremely limited resources to pay for other necessities such as housing and healthcare.

Measuring Impact

During the grant period, Mama's Kitchen will evaluate the success of our Home-Delivered Meal Service – San Marcos against the following objectives.

1. An estimated 7,147 medically tailored meals will be prepared and delivered to 35 San Marcos residents.
2. A minimum of 80% of survey-responding meal recipients will report receiving food that meets their nutritional needs.
3. A minimum of 80% of survey-responding meal recipients will report receiving food appropriate for their medication and treatment plans.
4. A minimum of 80% of survey-responding clients will report that their general health has stabilized or improved since receiving meals in our program.

Summary

The Home-Delivered Meal Service is San Marcos's only free meal service that provides three daily meals, feeds clients' dependent children, and offers a wide variety of medically tailored diet plans. Programs such as Feeding San Diego, Cal Fresh, the San Diego Food Bank, and Catholic Charities Vista provide a variety of low-cost and free food distribution options. However, many of our clients are home-bound and therefore unable to take advantage of these services. Delivery services such as Meals-On-Wheels and Jewish Family Service provide meals, either with a small fee or with age-restrictions. Mama's Kitchen partners with these organizations, referring clients who regain their health and no longer need home-delivered or medically tailored meals.

The vital nutrition provided by Mama's Kitchen is made possible by the generosity of individuals, foundations, and corporations across San Diego County. We are proud that in our 30 years of serving the community, Mama's Kitchen has never turned away an eligible client. Thank you for considering supporting our program.

Colleen R. Lukoff
San Marcos Community Foundation
One Civic Center Drive
San Marcos, CA 92069

RE: Letter of Support

Dear Colleen,

I am pleased to write a letter of support and recommendation for Mama's Kitchen on behalf of the Care Transitions team with Palomar Health. Mama's Kitchen is a critical community-based organization that we refer some of our most vulnerable patients to on a regular basis.

Palomar Health is able to screen and identify those patients who will benefit from the medically-tailored meals to San Diegans affected by HIV, cancer, congestive heart failure, and type 2 diabetes. The meals are skillfully prepared and delivered to community residents who are unable to physically and/or psychologically prepare their own health meals. Not only do the clients receive health meals at no cost to them, but many also receive nutritional counseling, educating the client to make their own healthy meals when they become healthy enough to do so.

Mama's Kitchen affords our patients food for the body, but also food for the soul. We hear back from many of the patients, and they report that they feel so cared for by the folks at Mama's Kitchen. Food insecurity is undignified. Mama's Kitchen provides dignity to many people who have rarely felt care for.

My team and I cannot stress strongly enough what an important component Mama's Kitchen is to the health and well-being of members of our community by supporting the continuum of care beyond the reach of the hospital walls.

Sincerely,



Patrice Gadd, RN BSN
Care Transitions Project Supervisor
Palomar Health
442-281-4939

SAN MARCOS COMMUNITY FOUNDATION

Budget Worksheet

Mama's Kitchen Home-Delivered Meal Service – San Marcos:

Food	\$ 12,708.75
Meal Containers	\$ 1,192.5
Volunteer Expenses	\$ 330.31
Payroll Expenses	\$ 10,129.78
Employee Benefits	\$ 778.25
Mortgage & Utility	\$ 1,666.66
Bookkeeping & Insurance	\$ 567.37
Equipment & Supplies	\$ 215.73
Total budget for this PROJECT:	\$ 27,589.34

Grant Request Amount: **\$ 5,000**
(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)

We are requesting a \$5,000 grant from the San Marcos Community Foundation to purchase food and meal containers for our Home-Delivered Meal Service – San Marcos. Food and container costs have an average of \$2.34 per meal. A \$5,000 gift from the Foundation would provide approximately 2,136 meals to San Marcos residents.

Is this a challenge grant? No Could it be? No

Please list any other funding sources for this project.

**Indicate if funds are committed (C), conditional (CD), or pending (P).

The following foundations have committed funds to our Home-Delivered Meal Service program which covers all of San Diego County, including San Marcos. The total budget for the Home-Delivered Meal Service – San Diego County is \$1,839,289.60.

\$ 10,000 Melvin Garb Foundation ** C
\$ 3,750 Boys and Girls Foundation ** C
\$ 10,000 Blue Shield ** C
\$ 25,000 Zable Foundation ** C

Mama's Kitchen
2019-2020 Board of Directors

Officers

President

Kevin Atto

Broker/REALTOR®, Park Metro Realty

Vice-President

Jill Abasto

Attorney, Trademarks and Copyrights, Qualcomm Inc.

President-Elect

Michelle Jahn

Senior Advisor, MedImpact NCA (MINCA Inc.)

Treasurer

Scott Walls

Retired Community Volunteer

Secretary

Andrew Rosenberg

Co-Founder, Over The Moon Media

Member at Large

Dora Guillen

Director of Sales and Marketing, Wyndham Garden Hotel

Immediate Past President

Tim Rourke

Vice President Corporate Development, Med Impact

Directors

Michael Baehr

Instructor, Marketing & PR UCSD Extension

Jim Blevins

Community Volunteer

Michelle Burkart

President, TH!NKbusiness

Lisa Ferrari

VP, Network Strategy & Operations, Humana

Kim Fritz

GMC Administrator, Care 1st Health Plan

Mike Horn

President, IHF Export Corporation

Jennifer Kearns

Partner, Duane Morris LLP

Thomas Kwan

Senior/Principal Scientist, Astute Medical, Inc.

Scott Lawry

Staff Pharmacist, Naval Medical Center

John Pelkey

Sr. Director, Talent Management, National University System

Dave Ricks

Fundraising Professional and Community Volunteer

Jeff Robers

Regional VP Sales, Joint Venture Pay/Pay It Forward Processing

Jennifer Tuteur

Deputy Chief Medical Officer, San Diego County Health and
Human Services

Gary Weitzman, DVM

President and CEO, San Diego Humane Society

Adam Zweig, MD

Western Regional Medical Director, AIDS Healthcare Foundation

Extended to May 15, 2020

990Form
Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

► Do not enter social security numbers on this form as it may be made public.

► Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018Open to Public
Inspection**A For the 2018 calendar year, or tax year beginning JUL 1, 2018 and ending JUN 30, 2019**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MAMA'S KITCHEN		D Employer identification number 33-0434246
	Doing business as 3960 HOME AVENUE		E Telephone number 619-233-6262
	Number and street (or P.O. box if mail is not delivered to street address) 3960 HOME AVENUE		Room/suite
	City or town, state or province, country, and ZIP or foreign postal code SAN DIEGO, CA 92105		
	F Name and address of principal officer: ALBERTO CORTES same as C above		
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)() (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
	J Website: ► WWW.MAMASKITCHEN.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		L Year of formation: 1990	
M State of legal domicile: CA			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: WE PROVIDE NUTRITION SUPPORT TO THOSE AFFECTED BY CRITICAL ILLNESSES WHO ARE VULNERABLE TO HUNGER.	
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3 Number of voting members of the governing body (Part VI, line 1a)	3 21
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 21
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5 20
	6 Total number of volunteers (estimate if necessary)	6 1198
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0.
b Net unrelated business taxable income from Form 990-T, line 38	7b 0.	

Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 2,469,734.	Current Year 3,279,722.
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	104,661.	105,844.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-26,071.	-27,255.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,548,324.	3,358,311.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	792,379.	916,557.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ► 463,382.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,685,324.	1,673,086.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,477,703.	2,589,643.
19 Revenue less expenses. Subtract line 18 from line 12	70,621.	768,668.	

Net Assets or Fund Balances	Beginning of Current Year	End of Year	
	20 Total assets (Part X, line 16)	3,872,327.	4,268,261.
	21 Total liabilities (Part X, line 26)	829,957.	381,130.
22 Net assets or fund balances. Subtract line 21 from line 20	3,042,370.	3,887,131.	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	► 	► 
	ALBERTO CORTES, EXECUTIVE DIRECTOR	Date 1/14/2020
Type or print name and title		

Paid	Print/Type preparer's name JASON C. GUTZMER	Preparer's signature JASON C. GUTZMER	Date 01/10/20	Check if self-employed <input type="checkbox"/>	PTIN P01204162
Preparer	Firm's name ► LING & BOUMAN CPA'S, LLP		Firm's EIN ► 81-4590836		
Use Only	Firm's address ► 4669 MURPHY CANYON ROAD, STE 130 SAN DIEGO, CA 92123-1833		Phone no. (858) 467-4770		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III 1 Briefly describe the organization's mission:

**MAMA'S KITCHEN, A COMMUNITY-DRIVEN ORGANIZATION, BELIEVES THAT
EVERYONE IS ENTITLED TO THE BASIC NECESSITY OF LIFE - NUTRITIOUS FOOD.
OUR NUTRITION SERVICES IMPROVE THE LIVES OF WOMEN, MEN AND CHILDREN
VULNERABLE TO HUNGER DUE TO HIV, CANCER, OR OTHER CRITICAL ILLNESSES.**

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a (Code: _____) (Expenses \$ 1,978,343. including grants of \$ _____) (Revenue \$ 3,358,311.)
DELIVERY OF FREE MEALS TO HOME-BOUND PEOPLE WITH CRITICAL ILLNESSES.
THE ORGANIZATION DELIVERED 368,498 MEALS, HAD 4,547 VISITS TO MAMA'S PANTRY, DELIVERED 347 EMERGENCY FOOD ASSISTANCE BAGS, AND PROVIDED MEDICAL NUTRITION THERAPY TO 935 CLIENTS.**

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► 1,978,343.

Form 990 (2018)

**Mama's Kitchen Inc.
Budget
July 2019 through June 2020**

		Budget
Ordinary Income/Expense		
Income		
Capital Campaign Income		5,000.00
Contract Income		
Government		
CDBG City of San Diego		125,000.00
CDBG City of Vista		15,750.00
HOPWA SD County		164,808.00
Ryan White Fed/SD County		488,345.00
SD County Discretionary		<u>15,000.00</u>
Total Government		808,903.00
Non-Government		
Blue Shield Promise Health Plan		30,000.00
CHF Pilot Project		<u>255,000.00</u>
Total Non-Government		<u>285,000.00</u>
Total Contract Income		1,093,903.00
Events Income		
Mamas Day Event		220,000.00
Pick Up/CoSponsored Events		40,000.00
PIE Fundraiser		145,000.00
Tree of Life Event		<u>10,000.00</u>
Total Events Income		415,000.00
Grants Income		
Corp Business Grants		140,000.00
Corp Fdn Grants		163,000.00
Foundation Grants		<u>445,000.00</u>
Total Grants Income		748,000.00
Individual Income		
Acknowledgement Gifts		12,500.00
Acquisition Gifts		7,500.00
Board Campaign		
Pres Dining Exper		28,000.00
Board Campaign - Other		<u>60,000.00</u>
Total Board Campaign		88,000.00
Bread and Butter Club		86,750.00
Donor Renewal Gifts		310,000.00
IHO/IMO Donations		25,000.00
Pantry Donations		12,750.00
Sustaining Gifts-United Way		3,000.00
Unsolicited Gifts		<u>75,000.00</u>
Total Individual Income		620,500.00
Planned Giving		<u>340,000.00</u>
Total Income		<u>3,222,403.00</u>
Gross Profit		3,222,403.00

**Mama's Kitchen Inc.
Budget
July 2019 through June 2020**

	Budget
Expense	
Advocacy	14,000.00
Bank/Credit Card fees	18,000.00
Client Expense	10,747.00
Consulting & Professional Fees	
Audit/Tax	21,750.00
Retirement Plan Admin Fees	2,040.00
Consulting & Professional Fees - Other	<u>19,134.00</u>
Total Consulting & Professional Fees	42,924.00
Consumables	5,000.00
Containers/Bags	118,239.00
Data Costs	
Computer Expense	10,000.00
HIPAA Implemetation	0.00
Software programs expense	<u>21,529.00</u>
Total Data Costs	31,529.00
Direct Mail	
Acquisition	10,000.00
Donor Renewal	<u>28,000.00</u>
Total Direct Mail	38,000.00
Donor Cultivation/Recognition	
Donor Cultivation	5,000.00
Donor Recognition	5,000.00
Planned Giving	<u>100.00</u>
Total Donor Cultivation/Recognition	10,100.00
Employee Expenses	
Benefits	50,545.67
Payroll Tax	85,263.21
Retirement Plan Expense	31,972.44
Wages	<u>1,067,515.37</u>
Total Employee Expenses	1,235,296.69
Event Expense	
Board Event	
Presidential Dining	<u>5,000.00</u>
Total Board Event	5,000.00
Mama's Day	40,000.00
Pick-Up/Co-Sponsored	1,000.00
Pie Fundrasier	25,000.00
Tree of Life	<u>5,000.00</u>
Total Event Expense	76,000.00
Facilities	
Cleaning Supplies	7,000.00
Electric/Gas	50,000.00
Maintenance/Repairs	27,159.00

**Mama's Kitchen Inc.
Budget
July 2019 through June 2020**

	Budget
Property Tax	33.00
Security	100.00
Telephone/Internet	9,780.00
Trash, Cleaning, Extermination	31,580.00
Water & Sewer	6,756.00
Total Facilities	132,408.00
Food Costs	
Discounts/Rebates	-57,750.00
Food	<u>1,273,936.00</u>
Total Food Costs	1,216,186.00
Food Waste	0.00
Insurance	
D&O	3,000.00
Liability	27,799.72
Workers Comp	<u>16,800.21</u>
Total Insurance	47,599.93
Interest Exp - Mortgage & LMA	7,000.00
Investment Admin Fees	13,200.00
Kitchen Equip	2,000.00
Marketing & Public Relations	
Annual Report	2,500.00
New Collaterals	14,000.00
Newsletter	4,000.00
Printing	2,000.00
Public Relations	28,000.00
Web/Online Marketing	<u>13,000.00</u>
Total Marketing & Public Relations	63,500.00
Memberships/Subscriptions	750.00
Miscellaneous	
Fairs/Merchandise	250.00
Licenses & Fees	500.00
Meeting expense	1,500.00
Miscellaneous - Other	<u>5,000.00</u>
Total Miscellaneous	7,250.00
Office Supplies & Equip Lease	
Equip Lease	8,664.00
Supplies	<u>5,000.00</u>
Total Office Supplies & Equip Lease	13,664.00
Postage	4,000.00
Staff Development	
Staff Development	<u>6,000.00</u>
Total Staff Development	6,000.00
Strategic Planning	3,500.00
Van Expenses	5,627.00

**Mama's Kitchen Inc.
Budget
July 2019 through June 2020**

	Budget
Volunteer Expenses	
Volunteer Expense	6,400.00
Volunteer Insurance	1,650.00
Total Volunteer Expenses	<u>8,050.00</u>
Total Expense	<u>3,130,570.62</u>
Net Ordinary Income	91,832.38
Other Income/Expense	
Other Income	
Investment Income	
Invest Unrealized Gain/(Loss)	0.00
Investment Income	<u>50,000.00</u>
Total Investment Income	50,000.00
Other Income	
Int/Div Income	16.00
Other Income - Other	<u>4,008.00</u>
Total Other Income	<u>4,024.00</u>
Total Other Income	54,024.00
Other Expense	
Other Expense	
Amort-Prepaid Loan Fees	1,353.00
Depreciation & Amortization	138,000.00
Other Expense - Other	<u>4,008.00</u>
Total Other Expense	<u>143,361.00</u>
Total Other Expense	<u>143,361.00</u>
Net Other Income	<u>-89,337.00</u>
Net Income	<u>2,495.38</u>

MAMA'S KITCHEN

TABLE OF CONTENTS

YEARS ENDED JUNE 30, 2019 AND 2018

	<u>Page</u>
Independent Auditor's Report on Financial Statements	1 - 2
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 27
Schedule of Expenditures of Federal Awards	29 – 30
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	31 – 32
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	33 – 34
Schedule of Findings and Questioned Costs	35 – 38

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INDEPENDENT AUDITOR'S REPORT

To the Mama's Kitchen Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Mama's Kitchen (a nonprofit organization) ("Mama's"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit for the year ended June 30, 2019 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We conducted our audit for the year ended June 30, 2018 in accordance with accounting principles 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 Mama's as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for the year ended June 30, 2019 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report for the year ended June 30, 2019 dated November 8, 2019, on our consideration of Mama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mama's internal control over financial reporting and compliance.



November 8, 2019
San Diego, California

MAMA'S KITCHEN
A Not-for-Profit Organization
Statements of Financial Position
As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$ 173,816	\$ 143,722
Investments in marketable securities available for sale	1,846,993	1,680,718
Accounts receivable - net	198,368	140,203
Inventory	34,054	31,129
Prepaid expenses and other	57,167	44,675
Pledges receivable - current portion	4,241	13,000
Total current assets	<u>2,314,639</u>	<u>2,053,447</u>
Property and equipment - net	1,793,725	1,813,075
Other assets - net	<u>159,897</u>	<u>5,805</u>
 Total Assets	 <u>\$ 4,268,261</u>	 <u>\$ 3,872,327</u>
<u>Liabilities and Net Assets:</u>		
Current Liabilities:		
Line of Credit	\$ 74,260	\$ 454,260
Accounts payable and accrued expenses	156,267	108,189
Current portion of long-term debt	94,193	61,253
Total current liabilities	<u>324,720</u>	<u>623,702</u>
Long-term debt - net	<u>56,410</u>	<u>206,255</u>
 Total liabilities	 <u>381,130</u>	 <u>829,957</u>
Net assets:		
Without donor restrictions	3,625,395	2,958,166
With donor restrictions	261,736	84,204
Total net assets	<u>3,887,131</u>	<u>3,042,370</u>
 Total Liabilities and Net Assets	 <u>\$ 4,268,261</u>	 <u>\$ 3,872,327</u>

See accompanying notes to financial statements.

MAMA'S KITCHEN
A Not-for-Profit Organization
Statement of Activities
For the Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAINS AND OTHER SUPPORT:			
Contract Revenues:			
Government Revenues:			
County of San Diego - Ryan White	\$ 486,590	\$ -	\$ 486,590
County of San Diego - HOPWA	163,958	-	163,958
City of San Diego - CDBG	100,000	-	100,000
City of Vista - CDBG	15,000	-	15,000
Non-Government	<u>207,596</u>	<u>-</u>	<u>207,596</u>
Total contract revenues	973,144	-	973,144
Contributions	1,935,422	252,749	2,188,171
Capital projects	-	5,158	5,158
Donation in-kind	113,249	-	113,249
Donated services	379,114	-	379,114
Special events, net of direct expenses	(27,255)	-	(27,255)
Gain on sale of assets	35	-	35
Investment income	45,899	-	45,899
Net realized and unrealized gain on investments	134,945	1,058	136,003
Released from restriction by payment	<u>81,433</u>	<u>(81,433)</u>	<u>-</u>
Total Revenue, Gains, and Other Support	3,635,986	177,532	3,813,518
EXPENSES:			
Program services	2,356,933	-	2,356,933
Management and general	148,319	-	148,319
Fundraising	<u>463,505</u>	<u>-</u>	<u>463,505</u>
Total Expenses	2,968,757	-	2,968,757
Change in Net Assets	667,229	177,532	844,761
Net Assets, Beginning of Year	<u>2,958,166</u>	<u>84,204</u>	<u>3,042,370</u>
Net Assets, End of Year	<u>\$ 3,625,395</u>	<u>\$ 261,736</u>	<u>\$ 3,887,131</u>

See accompanying notes to financial statements.

MAMA'S KITCHEN
A Not-for-Profit Organization
Statement of Activities
For the Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT:			
Contract Revenues:			
County of San Diego - Ryan White	\$ 476,810	\$ -	\$ 476,810
County of San Diego - HOPWA	160,683	-	160,683
City of San Diego - CDBG	89,812	-	89,812
City of Vista - CDBG	10,434	-	10,434
Total contract revenues	<u>737,739</u>	-	737,739
Contributions	1,462,704	168,512	1,631,216
Capital projects	-	6,850	6,850
Donation in-kind	93,481	-	93,481
Donated services	384,301	-	384,301
Special events, net of direct expenses	(26,071)	-	(26,071)
Social enterprise	448	-	448
Investment income	40,443	-	40,443
Net realized and unrealized gain on investments	86,009	2,304	88,313
Released from restriction by payment	<u>251,481</u>	<u>(251,481)</u>	-
Total Revenue, Gains, and Other Support	<u>3,030,535</u>	<u>(73,815)</u>	<u>2,956,720</u>
EXPENSES:			
Program services	2,237,069	-	2,237,069
Management and general	149,216	-	149,216
Fundraising	<u>475,719</u>	-	475,719
Total Expenses	<u>2,862,004</u>	-	<u>2,862,004</u>
Change in Net Assets	168,531	(73,815)	94,716
Net Assets, Beginning of Year	<u>2,789,635</u>	<u>158,019</u>	<u>2,947,654</u>
Net Assets, End of Year	<u>\$ 2,958,166</u>	<u>\$ 84,204</u>	<u>\$ 3,042,370</u>

See accompanying notes to financial statements.

MAMA'S KITCHEN
a Not-for-Profit Organization
Statement of Functional Expenses
For the Year Ended June 30, 2019

	SUPPORTING SERVICES			
	Program Services	Management & General		
		Fundraising	Total	
Salaries and wages	\$ 533,485	\$ 50,482	\$ 208,350	\$ 792,317
Payroll taxes	45,000	4,849	18,051	67,900
Employee benefits	<u>28,209</u>	<u>11,106</u>	<u>17,025</u>	<u>56,340</u>
 Total Salary and Related Expense	 606,694	 66,437	 243,426	 916,557
Food and packaging costs (net)	955,690	-	-	955,690
Food costs - in-kind	50,409	-	-	50,409
Advertising, printing & publications	-	-	38,910	38,910
Bank/Credit card fees	-	-	19,680	19,680
Client expense	17,706	-	-	17,706
Depreciation and amortization	107,335	9,554	14,432	131,321
Direct mail	-	-	24,035	24,035
Donor cultivation	-	-	2,534	2,534
Donated services, facilities and in-kind	379,114	6,068	56,773	441,955
Information technology	9,999	7,027	13,433	30,459
Insurance	31,227	7,788	7,044	46,059
Interest expense	19,021	3,759	4,091	26,871
Investment advisory fees	10,970	1,469	2,346	14,785
Legal and professional	36,042	3,562	3,114	42,718
Memberships, subscriptions, professional development	1,012	21,143	5,231	27,386
Occupancy	102,045	11,615	18,996	132,656
Office expense	11,422	3,547	4,603	19,572
Vehicle expense	3,518	-	-	3,518
Volunteer expense	13,427	2,041	1,037	16,505
Miscellaneous	<u>1,302</u>	<u>4,309</u>	<u>3,820</u>	<u>9,431</u>
 Total Expenses	 <u>\$ 2,356,933</u>	 <u>\$ 148,319</u>	 <u>\$ 463,505</u>	 <u>\$ 2,968,757</u>

See accompanying notes to financial statements.

MAMA'S KITCHEN
a Not-for-Profit Organization
Statement of Functional Expenses
For the Year Ended June 30, 2018

	SUPPORTING SERVICES			
	Program Services	Management & General	Fundraising	Total
Salaries and wages	\$ 416,327	\$ 67,308	\$ 205,110	\$ 688,745
Payroll taxes	34,930	5,359	17,893	58,182
Employee benefits	<u>20,883</u>	<u>11,180</u>	<u>13,389</u>	<u>45,452</u>
Total Salary and Related Expense	472,140	83,847	236,392	792,379
Food and packaging costs (net)	1,020,109	-	36	1,020,145
Food costs - in-kind	40,221	-	-	40,221
Advertising, printing & publications	-	250	34,937	35,187
Bank/Credit card fees	-	-	16,890	16,890
Client expense	9,770	-	-	9,770
Depreciation and amortization	114,084	10,584	16,553	141,221
Direct mail	-	-	27,838	27,838
Donor cultivation	-	-	1,224	1,224
Donated services, facilities and in-kind	384,301	-	53,260	437,561
Information technology	8,637	3,178	14,078	25,893
Insurance	22,173	7,994	9,365	39,532
Interest expense	31,629	3,738	8,362	43,729
Investment advisory fees	10,885	1,417	2,412	14,714
Legal and professional	15,179	3,523	25,095	43,797
Memberships, subscriptions, professional development	1,254	15,844	5,161	22,259
Occupancy	85,074	9,131	17,023	111,228
Office expense	10,628	3,276	6,167	20,071
Vehicle expense	3,203	-	-	3,203
Volunteer expense	7,122	1,393	480	8,995
Miscellaneous	<u>660</u>	<u>5,041</u>	<u>446</u>	<u>6,147</u>
Total Expenses	<u>\$ 2,237,069</u>	<u>\$ 149,216</u>	<u>\$ 475,719</u>	<u>\$ 2,862,004</u>

See accompanying notes to financial statements.

MAMA'S KITCHEN
A Not-for-Profit Organization
Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 844,761	\$ 94,716
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	131,321	141,221
Amortization of debt issuance cost	1,353	1,353
Gain on sale of assets	(35)	-
Investments in marketable securities available for sale	(136,003)	(88,313)
(Decrease) Increase in:		
Accounts receivable - net	(58,165)	105,517
Prepaid expenses and other	(12,492)	(5,237)
Pledges receivable - net	10,069	27,800
Inventory	(2,925)	9,300
Other assets - net	(141,992)	-
Increase (Decrease) in:		
Accounts payable and accrued expenses	<u>48,078</u>	<u>3,364</u>
Net cash provided by operating activities	<u>683,970</u>	<u>289,721</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments in marketable securities available for sale	(352,038)	(308,891)
Proceeds from sale of investments in marketable securities available for sale	321,766	329,104
Proceeds from sale of assets	925	-
Purchase of other assets	(18,216)	-
Purchase of property and equipment	(108,055)	(9,887)
Net cash (used in) provided by investing activities	<u>(155,618)</u>	<u>10,326</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net payments of long-term borrowings	(118,258)	(328,799)
Line of credit - net	<u>(380,000)</u>	<u>(45,000)</u>
Net cash used in financing activities	<u>(498,258)</u>	<u>(373,799)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	30,094	(73,752)
Cash and cash equivalents, beginning of the year	<u>143,722</u>	<u>217,474</u>
Cash and cash equivalents, end of the year	<u>\$ 173,816</u>	<u>\$ 143,722</u>
Supplemental Disclosure of cash flow information:		
Cash payments for interest	<u>\$ 25,626</u>	<u>\$ 42,375</u>

See accompanying notes to financial statements.

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

Mama's Kitchen (the "Organization") is a nonprofit organization incorporated on September 28, 1990 in California. The Organization is governed by a non-compensated board of directors and provides services across San Diego County.

The mission statement: Mama's Kitchen, a community-driven organization, believes that everyone is entitled to the basic necessity of life, nutritious food. Our nutrition services improve the lives of women, men, and children vulnerable to hunger due to AIDS, cancer, or other critical illnesses.

Consistent with the mission, the following services are provided:

1. Home delivered meals that are medically tailored to address the health challenges of people living with HIV, cancer, heart disease, and Type II diabetes. This service is funded by a combination of government grants, private and corporate foundations, individual contributions, and other smaller revenue sources. Medically tailored meals are meals approved by a Registered Dietician Nutritionist (RDN) and reflect an appropriate diet based on diagnosis, symptoms, allergies, medication management, and side effects to ensure the best possible health outcomes.
2. Pantry services, provided at Mama's Pantry, are available to people with HIV living on a low income. This service provides the opportunity to shop once a month for staples that include dairy products, protein sources (chicken, beef, eggs, legumes, cheese, etc.), breakfast cereals, rice, fresh and canned vegetables, and other food products. Mama's Pantry also offers emergency food assistance for clients who are in financial crisis and referred to the Organization.
3. Medical Nutrition Therapy (MNT) is provided by our RDN. This one-on-one intervention between the RDN and the client takes place in a clinical setting and is intended to provide the client nutrition information to improve their health outcomes.

During the 12 months ended June 30, 2019 the Organization delivered 368,498 meals, had 4,547 visits to Mama's Pantry, provided 347 emergency food assistance bags, and provided MNT to 935 clients.

During the 12 months ended June 30, 2018 the Organization delivered 319,482 meals, had 5,346 visits to Mama's Pantry, provided 561 emergency food assistance bags, and provided MNT to 175 clients.

The Organization is currently part of a California state-wide pilot project funded by the

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

state of California. This pilot project is providing a medically tailored meal intervention to San Diegans with congestive heart failure. Additionally, in 2019, the Organization began a pilot project to provide medically tailored meals to San Diegans with Type II Diabetes.

Financial Statement Presentation and Basis of Accounting

The financial statements are prepared in accordance with the American Institute of Certified Public Accountants Audit and Accounting Guide for Not for Profit Organizations. Financial statement preparation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The accompanying financial statements have been prepared on the accrual basis in conformity with generally accepted accounting principles. Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents and Concentration of Credit Risk

For purposes of the Statements of Cash Flows, Mama's Kitchen considers all highly liquid investments with an initial maturity date of three months or less to be cash equivalents. Amounts in the bank accounts do not exceed the United States Federal Deposit Insurance Corporation insured limit of \$250,000.

Investments in Marketable Securities Available for Sale and Concentration of Credit Risk and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect balances and the amounts reported in the statement of financial position.

The Organization also invests in the securities of foreign companies or companies with significant operations in foreign countries, which involve additional special risks and considerations not typically associated with investing in U.S. companies. These risks include but are not limited to devaluation of currencies, less reliable information about issuers, different securities transaction regulations, clearance and settlement practices, and possibly adverse political and economic developments. Moreover, the securities of many

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

foreign companies may be less liquid and their prices more volatile than those securities of comparable U.S. companies.

Inventory

The inventory consists of meal containers, dry and frozen foods, and other food products. Inventory is valued using the First-In First-Out (FIFO) method. As of June 30, 2019 and 2018, inventory was valued at \$34,054 and \$31,129, respectively.

Property and Equipment - net

Property and equipment acquisitions in excess of \$1,000 per the Organization's capitalization policy are capitalized and recorded at cost when purchased. The fair market value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful life of each class of assets (3 to 30 years) and is computed using the straight-line method. The Organization's expenditures for ordinary repairs and maintenance and planned major maintenance are charged to operations as incurred. Depreciation expense for the year ended June 30, 2019 and 2018 was \$126,515 and \$139,541, respectively.

Impairment of Long-lived Assets

The Organization accounts for impairment of long-lived assets in accordance with FASB ASC No. 360, "Property, Plant, and Equipment." ASC No. 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Organization evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible operational impairment. In accordance with ASC No. 360, the Organization uses an estimate of the future undiscounted net cash flows of the related asset or asset grouping over the remaining life in measuring whether its operating assets are recoverable. An impairment is recognized when future undiscounted cash flows of assets are estimated to be insufficient to recover their related carrying value. The Organization considers continued operating losses, or significant and long-term changes in business conditions, to be its primary indicators of potential impairment. In measuring impairment, the Organization looks to quoted market prices, if available, or the best information available in the circumstances. At June 30, 2019 and 2018, the Organization has determined that there is no impairment of assets.

Intangible Assets – net

Intangible assets cost of \$50,392 are included in Other assets – net and are amortized over the estimated useful life of 5 years. Accumulated amortization totaled \$32,487 and

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

\$27,681 as of June 30, 2019 and 2018. Amortization expense for year ended June 30, 2019 and 2018 totaled \$4,806 and \$1,680, respectively.

Debt Issuance Costs

Debt issuance costs are amortized over the life of the loan and are presented net of amortization as a direct reduction of the associated note payable for 2019 and 2018 in accordance with ASU 2015-03. The net loan origination fees included as a reduction to notes payable were \$2,255 and \$3,608 for 2019 and 2018, respectively. Amortization of debt issuance costs totaling \$1,353 and \$1,353 are included in interest expense.

Compensated Absences

Employees of Mama's Kitchen are entitled to compensated absences depending on the length of service and other factors. Such absences consist of accrued vacation and sick time; the unused accrued vacation is payable upon termination or retirement. As of June 30, 2019 and 2018, accrued vacation payable was \$46,698 and \$49,921, respectively and are included in Accounts payable and accrued expenses on the Statement of Financial Position.

Contributions, Promises to Give and Capital Projects

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give, in substance and unconditionally. It is the Organization's policy to treat donor-restricted contributions whose restrictions are met in the same reporting period as net assets without donor restrictions. Donations that are not expended in the current year are classified as net assets with donor restrictions.

Capital project contributions include amounts contributed to meet the debt service on the Organization's headquarters as well as specific equipment purchases.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Concentration of Revenue

In 2019 and 2018, Mama's Kitchen received approximately 20% and 25% of its total revenue from local government agencies for the Home Delivered Meal Program. While

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

there is no imminent plan on the part of the government to discontinue these funds, the contracts are renewed on an annual basis depending on availability of funds.

In 2019 and 2018, Mama's Kitchen also received approximately 80% and 75% of its total revenue from fund-raising activities, investment income, contributions from private foundations, local community support and other contract revenues.

Donated Services

The criteria for recognizing donated services in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*, are if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Fiscal year ended June 30, 2019:

The Organization received approximately 31,152 donated hours and 150,072 miles driven from 1,198 volunteers for various services including food preparation, packaging and staging prepared meals, home delivery and pantry services to more than 1,904 women, men, and children at high risk of hunger and malnutrition. The value of donated hours is \$933,002(1) and the value of donated miles is \$87,042(2).

Fiscal year ended June 30, 2018:

The Organization received approximately 30,916 donated hours and 147,840 miles driven from 923 volunteers for various services including food preparation, packaging and staging prepared meals, home delivery and pantry services to more than 1,534 women, men, and children at high risk of hunger and malnutrition. The value of donated hours is \$899,346(1) and the value of donated miles is \$80,573(2).

However, not all of these services met the criteria established by FASB ASC 958 and therefore are not recorded in the financial statements. The donated services that can be recorded in the financial statements, specifically for meal delivery, are discussed in Note 13.

- (1) Calculated using the 2018 or 2017 Volunteer Hour Value for California as published by The Independent Sector
- (2) Calculated using the IRS Standard Mileage Rate of \$0.58 for fiscal 2019 and \$0.545 for fiscal 2018

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Recent Accounting Pronouncements

The FASB codifies the various sources of GAAP into the ASC. Any updates to the ASC are communicated through Accounting Standards Updates (“ASU”). In 2017, 2018 and 2019 up to the date of the independent auditors’ report, the FASB has issued various ASUs for which the majority are not pertinent to the operations of the Organization. Those ASUs that are pertinent have been adopted (see Accounting Pronouncements Adopted) or will be adopted in future years in accordance with the update provisions and are not expected to have any impact on the financial condition, results of operations or cash flows of the Organization.

Accounting Pronouncements Adopted

In 2019, the Organization adopted ASU 2016-14, “Presentation of Financial Statements of Not-for-Profit Entities” (Topic 958). The ASU amended the current reporting model for nonprofit organizations and enhanced their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

Reclassifications

Certain reclassifications have been made to the fiscal year ended June 30, 2018 financial statements to conform to the fiscal year ended June 30, 2019 presentation.

Date of Managements Review

Subsequent events were evaluated through November 8, 2019, which is the financial statement issuance date.

Note 2 – Statement of Financial Position Details at June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Property and Equipment – at Cost:		
Land	\$ 176,700	\$ 176,700
Building and improvements	2,231,042	2,221,313
Furniture and fixtures	505,866	431,056
Vehicles	<u>39,735</u>	<u>39,735</u>
	2,953,343	2,868,804
Accumulated Depreciation	<u>(1,159,618)</u>	<u>(1,055,729)</u>
Net Property and Equipment	<u>\$1,793,725</u>	<u>\$1,813,075</u>
Prepaid expenses and other:		
Prepaid insurance	\$ 15,051	\$ 13,786
Prepaid program evaluation	15,267	-
Software maintenance	7,008	7,973
Cleaning & other services	12,305	7,833
Vendor security deposit	6,000	13,500
Workers compensation deposit	<u>1,536</u>	<u>1,583</u>
Total prepaid expenses and other	<u>\$ 57,167</u>	<u>\$ 44,675</u>
Other assets – net		
Donated artwork held for sale	\$ 141,992	\$ -
Intangible assets - net	17,905	4,495
Pledges receivable – long-term portion	<u>-</u>	<u>1,310</u>
Total other assets – net	<u>\$ 159,897</u>	<u>\$ 5,805</u>

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

Accounts payable and accrued expenses		
Accounts payable	\$ 49,970	\$ 12,839
Accrued payroll	37,774	30,929
Accrued vacation	46,698	49,921
Accrued other	<u>21,825</u>	<u>14,500</u>
 Total accounts payable and accrued expenses	 <u>\$ 156,267</u>	 <u>\$ 108,189</u>

Note 3 – Contracts Awarded and Contingency

During fiscal 2019 and 2018, Mama's Kitchen was under contract with the San Diego County Department of Mental Health and Human Services ("County of San Diego"), the City of San Diego Economic Development Department ("City of San Diego") and the City of Vista Housing Division ("City of Vista"), all of which are referred to as the Agencies (the "Agencies"), to provide home delivered meals and other nutrition services. Under the Agencies contracts, services provided are limited to the County of San Diego.

The Agencies contracts for the year ending June 30, 2019 are subject to the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance").

The Agencies contracts are subject to periodic review by the Agencies to substantiate that invoices submitted are properly supported. These reviews will periodically result in minor discrepancies for which Mama's Kitchen will have to repay the Agencies should any discrepancies exist. During the fiscal year ended June 30, 2019 and 2018, no findings by the Agencies were considered to be material adjustments.

The Agencies contract awards are subject to renewal annually, and there can be no assurance that similar contracts, if any, will be awarded in the future.

Mama's Kitchen has been awarded similar Agency contracts totaling approximately \$793,000 for the fiscal year ended June 30, 2020.

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

Note 4 - Income Taxes

Income Taxes Status

Mama's Kitchen is a private not-for-profit corporation organized under the laws of the State of California. As a Section 501(c)(3) organization, it is exempt from income taxes on the basis that it qualifies for exemption under Section 501(a) of the Internal Revenue Code, and Section 23701(d) of the State Revenue and Taxation Code on revenues, gains and other support used for charitable purposes.

Uncertain Tax Positions

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, Mama's Kitchen may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various position related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from a tax position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2019 and 2018.

Management has considered its tax position and believes that all of the positions taken in its exempt organization tax returns will be sustained upon examination.

Mama's Kitchen files its Form 990 in the U.S. federal jurisdiction and a copy of it with the Office of the State's Attorney General for the State of California. Mama's Kitchen is no longer subject to examination by the Internal Revenue Service and the State of California for years before 2014 and 2013, respectively.

Note 5 – Investments in Marketable Securities Available for Sale

Investments in marketable debt and equity securities available-for-sale are being reported at fair value based upon quoted market prices on national stock exchanges. Unrealized net holding gains totaled \$75,034 and \$21,791 for the years ended June 30, 2019 and 2018, respectively. Investments in marketable securities available for sale are held for investment gains and for future needs of the Organization. (See Note 11 for unrealized net holding gains on permanently restricted endowment funds.)

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

Gross realized gains on available-for-sale securities included in revenue totaled \$59,911 and \$64,218 for the years ended June 30, 2019 and 2018, respectively. Gains or (losses) are recognized via the specific identification method.

At June 30, 2019, the cost basis and estimated fair values of investments in equity securities are set forth in the following table. The cost basis approximate the amortized costs for securities purchased at a price equal to the stated face amount, plus a premium or less a discount.

	<u>Cost Basis</u>	Gross Unrealized <u>Gains</u>	Gross Unrealized (<u>Losses</u>)	Estimated Fair Value
Cash and cash equivalents	\$ 58,466	\$ -	\$ -	\$ 58,466
Domestic common stocks	840,044	339,761	(28,995)	1,150,810
Managed equity mutual funds	271,326	8,299	(2,567)	277,058
Preferred stocks	114,256	3,334	(1,002)	116,588
Asset backed securities	23,148	589	(15)	23,722
Managed equity bond funds				
US Government backed	112,537	4,570	-	117,107
Corporate	86,090	1,503	-	87,593
San Diego Foundation Balanced Pool	<u>15,649</u>	<u>-</u>	<u>-</u>	<u>15,649</u>
Total	<u>\$1,521,516</u>	<u>\$358,056</u>	<u>\$(32,579)</u>	<u>\$1,846,993</u>

At June 30, 2018, the cost basis and estimated fair values of investments in equity securities are set forth in the following table. The cost basis approximate the amortized costs for securities purchased at a price equal to the stated face amount, plus a premium or less a discount.

MAMA'S KITCHEN
 A Not-For-Profit Organization
 Notes to Financial Statements
 For the Years Ended June 30, 2019 and 2018

	<u>Cost Basis</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized (Losses)</u>	<u>Estimated Fair Value</u>
Cash and cash equivalents	\$ 67,456	\$ -	\$ -	\$ 67,456
Domestic common stocks	766,726	287,198	(29,328)	1,024,596
Managed equity mutual funds	261,439	4,676	(10,317)	255,798
Preferred stocks	106,108	2,287	(917)	107,478
Asset backed securities	25,620	104	(497)	25,227
Managed equity bond funds				
US Government backed	100,025	1,821	(1,580)	100,266
Corporate	88,310	-	(3,004)	85,306
San Diego Foundation Balanced Pool	<u>14,591</u>	<u>-</u>	<u>-</u>	<u>14,591</u>
Total	<u>\$1,430,275</u>	<u>\$296,086</u>	<u>\$ (45,643)</u>	<u>\$1,680,718</u>

Note 6 – Fair Value of Investments

The FASB issued ASC No. 820 (ASC 820), Fair Value Measurements that establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements.

ASC 820 defines 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 on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) of identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

MAMA'S KITCHEN
 A Not-For-Profit Organization
 Notes to Financial Statements
 For the Years Ended June 30, 2019 and 2018

Level 2: Significant other observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability. Assets measured at fair value on a recurring basis are summarized below:

Fair Value Measurement at June 30, 2019, Using

	Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
UBS Financial Services, Inc. ("UBS") Investments				
Cash Portfolio	\$ 58,466	\$ 58,466	\$ -	\$ -
UBS Investment Accounts				
Equities	1,150,810	1,150,810	-	-
Mutual Funds	277,058	277,058	-	-
Fixed Income Investments	345,010	345,010	-	-
San Diego Foundation				
Endowment, Balanced Pool	<u>15,649</u>	<u>-</u>	<u>15,649</u>	<u>-</u>
Total Investments	<u>1,788,527</u>	<u>1,772,878</u>	<u>15,649</u>	<u>-</u>
Total Cash and Investments	<u>\$1,846,993</u>	<u>\$1,831,344</u>	<u>\$ 15,649</u>	<u>\$ -</u>

MAMA'S KITCHEN
 A Not-For-Profit Organization
 Notes to Financial Statements
 For the Years Ended June 30, 2019 and 2018

Fair Value Measurement at June 30, 2018, Using

	Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
UBS Financial Services, Inc. ("UBS") Investments				
Cash Portfolio	\$ 67,456	\$ 67,456	\$ -	\$ -
UBS Investment Accounts				
Equities	1,024,596	1,024,596	-	-
Mutual Funds	255,798	255,798	-	-
Fixed Income Investments	318,277	318,277	-	-
San Diego Foundation Endowment, Balanced Pool	14,591	-	14,591	-
Total Investments	<u>1,613,262</u>	<u>1,598,671</u>	<u>14,591</u>	<u>-</u>
Total Cash and Investments	<u>\$1,680,718</u>	<u>\$1,666,127</u>	<u>\$ 14,591</u>	<u>\$ -</u>

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices.

Note 7 – Accounts Receivable - net

Accounts receivable - net as of June 30, 2019 and 2018 were \$198,368 and \$140,203; of which \$106,658 and \$131,844 were due from the County of San Diego – Health & Human Services Agency and \$91,710 and \$8,359 from various other entities. Management determined that no allowance for doubtful accounts was necessary.

Note 8 – Pledges Receivable - net

Mama's Kitchen conducted a capital campaign for the purchase of a building. The remaining pledges receivable as of June 30, 2019 and 2018 are as follows:

MAMA'S KITCHEN
 A Not-For-Profit Organization
 Notes to Financial Statements
 For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Pledges receivable – net (the allowance for doubtful pledges totaled \$890 in 2019 and 2018, respectively)	\$ 4,241	\$ 14,310
Less current portion	<u>4,241</u>	<u>13,000</u>
	<u><u>\$ -</u></u>	<u><u>\$ 1,310</u></u>

Note 9 – Revolving Line of Credit

The Organization has a \$1,000,000 revolving Line of Credit with UBS, of which \$74,260 and \$454,260 was outstanding at June 30, 2019 and 2018, respectively. The balance shown on the Statement of Financial Position of \$74,260 and \$454,260 includes accrued interest of \$257 and \$1,445 as of June 30, 2019 and 2018, respectively. Bank advances on the credit line are payable on demand and carry a 30-day London Inter-Bank Rate + 1.75% interest rate (4.153% APR at June 30, 2019).

Note 10 – Long Term Debt

Long term debt at June 30, 2019 and 2018, was comprised of:

	<u>2019</u>	<u>2018</u>
Mortgage note payable to Torrey Pines Bank, interest rate of 5.5%, monthly payments of \$8,363 through January 2021, collateralized by real property.	\$ 152,858	\$ 271,116
Less current portion	<u>94,193</u>	<u>61,253</u>
	<u><u>58,665</u></u>	<u><u>209,863</u></u>
Reduction of long term debt for unamortized Debt issuance costs	<u>(2,255)</u>	<u>(3,608)</u>
Total Long term debt - net	<u><u>\$ 56,410</u></u>	<u><u>\$ 206,255</u></u>

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

Maturities of long-term debt subsequent to June 30 are as follows:

2020	\$ 94,193
2021	<u>58,665</u>
Total	<u><u>\$ 152,858</u></u>

Note 11 – Net Assets With Donor Restrictions

The Organization received contributions with donor restrictions totaling \$257,907 and \$175,362 in 2019 and 2018, respectively. Per donor imposed restrictions, the funds usage is restricted to a specific purpose and/or program. The Organization utilized \$81,433 and \$251,481 of funds with donor restrictions as of June 30, 2019 and 2018, respectively.

Net assets with donor restrictions are composed of the following:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose	\$ 221,087	\$ 44,613
Mama's Kitchen Endowment	25,000	25,000
The San Diego Foundation Endowment	<u>15,649</u>	<u>14,591</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 261,736</u></u>	<u><u>\$ 84,204</u></u>

Endowment Funds

Mama's Kitchen has two separate endowment funds; one is maintained by The San Diego Foundation and the other is pooled with other investments. Both endowments were created to support the Organization's operations as a whole and not for any specific purpose. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Mama's Kitchen has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization would consider the funds to be underwater if the fair value of the funds are less than the sum of (1) the original value of initial and subsequent gifts donated to the funds and (2) any accumulations to the funds that are required to be maintained in perpetuity in accordance with applicable donor gift instructions. The Organization has

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The funds are not currently underwater.

In accordance with UPMIFA, Mama's Kitchen considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

Mama's Kitchen has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for operations supported by its endowments while seeking to maintain the principal of the endowment assets. Within prudent investment principles, in selecting FDIC insured institutions for cash, CDs, and similar liquid investments, the Board may take into consideration factors other than the rate of return. Such factors may include, but are not limited to, the institution's community involvement, support of Mama's Kitchen, and similar factors the Board deems prudent under the circumstances, so long as the general rate of return received is similar to that of other institutions.

At such time as investments are made in the US equities market, and consistent with prudent investment standards and safety, Mama's Kitchen shall seek to achieve above the market average rate of return as defined by the S&P 500 index while assuming a moderate level of investment risk. Actual returns in any given year may vary due to economic and other market conditions.

The composition of endowment net assets and the changes in endowment net assets as of June 30, 2019 and 2018 are as follows:

<u>Net Assets with Donor Restrictions</u>	
Endowment net assets, July 1, 2017	\$ 37,287
Investment return (net)	<u>2,304</u>
Endowment net assets, June 30, 2018	39,591
Investment return (net)	<u>1,058</u>
Endowment net assets, June 30, 2019	<u>\$ 40,649</u>

MAMA'S KITCHEN
 A Not-For-Profit Organization
 Notes to Financial Statements
 For the Years Ended June 30, 2019 and 2018

Note 12 – Fund-raising and Special Events, Net

Special events consist of various fund-raising events for the year ended June 30, 2019 and 2018, respectively, as follows:

Fiscal year ended June 30, 2019:

	<u>Mama's Day</u>	<u>Mama's Pies</u>	<u>Other Events</u>	<u>Total</u>
Special events revenue	\$ 16,547	\$ 28,960	\$ -	\$ 45,507
Less: Direct expenses	(41,825)	(19,464)	(11,473)	(72,762)
Special events, net of direct expenses	(25,278)	9,496	(11,473)	(27,255)
Special events contributions	186,369	111,010	76,089	373,468
In-kind donations	43,936	803	-	44,739
Less: Indirect expenses	(21,207)	(22,202)	(18,434)	(61,843)
Net	209,098	89,611	57,655	356,364
Total Fund-raising and Special events	<u>\$ 183,820</u>	<u>\$ 99,107</u>	<u>\$ 46,182</u>	<u>\$ 329,109</u>

Fiscal year ended June 30, 2018:

	<u>Mama's Day</u>	<u>Mama's Pies</u>	<u>Other Events</u>	<u>Total</u>
Special events revenue	\$ 15,600	\$ 29,600	\$ -	\$ 45,200
Less: Direct expenses	(40,473)	(22,987)	(7,811)	(71,271)
Special events, net of direct expenses	(24,873)	6,613	(7,811)	(26,071)
Special events contributions	193,636	108,297	58,961	360,894
In-kind donations	43,936	5,562	363	49,861
Less: Indirect expenses	(11,776)	(15,863)	(5,150)	(32,789)
Net	225,796	97,996	54,174	377,966
Total Fund-raising and Special events	<u>\$ 200,923</u>	<u>\$ 104,609</u>	<u>\$ 46,363</u>	<u>\$ 351,895</u>

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

Note 13 – Donations In-Kind & Donated Services

Mama's Kitchen received in-kind donations valued at \$113,249 and \$93,481 (excluding in-kind and donated services to special events net of expenses) for the fiscal years ended June 30, 2019 and 2018, respectively. In-kind donations of goods and services consisted of the following:

	<u>2019</u>	<u>2018</u>
Mama's Day	\$ 56,264	\$ 43,936
Mama's Pies	803	5,562
Other Special Events	-	363
Mama's Pantry/Food Drives	50,409	40,221
Other programs and office supplies	<u>5,773</u>	<u>3,399</u>
 Total Donations In-kind	 <u>\$ 113,249</u>	 <u>\$ 93,481</u>

Mama's Kitchen also received donated delivery services for the years ended June 30, 2019 and 2018 valued at \$379,114 and \$384,301 that met the criteria under FASB ASC 958 as described in Note 1. Donated services consist of the following:

Volunteer Hours – Delivery Services	\$ 292,072	\$ 303,728
Mileage Driven	<u>87,042</u>	<u>80,573</u>
 Total Donated Services	 <u>\$ 379,114</u>	 <u>\$ 384,301</u>

Note 14 – Employee Benefit Plan

Mama's Kitchen sponsors a 401(K) profit sharing plan (a defined contribution plan) (the "Plan"). All employees are eligible to participate in the Plan on the first of the month commensurate with or next following their date of hire. Employer contributions to the Plan are based on a match of each participant's salary deferrals. Participants are 100% vested in the employer contributions after completing five years of employment in which they have performed at least 1,000 hours of service. Mama's Kitchen's contribution to the Plan was \$13,303 and \$12,395 for the fiscal years ended June 30, 2019 and 2018, respectively.

Note 15 – Liquidity and Availability of Financial Assets

The following reflects Mama's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions

MAMA'S KITCHEN
A Not-For-Profit Organization
Notes to Financial Statements
For the Years Ended June 30, 2019 and 2018

within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or board designated endowment for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

Financial assets, at year-end	\$ 2,223,418
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions:	
Restricted by donor with time or purpose restrictions	(75,649)
Board designations:	
Endowment fund, primarily for long-term investing	<u>(25,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,122,769</u>

As part of Mama's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, Mama's invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, Mama's has a committed line of credit in the amount of \$1 million, which it could draw upon. Additionally, Mama's has a quasi-endowment of \$25,000. Although Mama's does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

Supplemental Information

MAMA'S KITCHEN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

<i>Federal Grantor/ Pass-Through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>
<i>U.S. Department of Health and Human Services (DHHS)</i>			
Pass-Through County of San Diego Health and Human Services Agency HIV Emergency Relief Project Grant	93.914	H89HA00001	\$ 486,590
<i>Department of Housing and Urban Development (HUD)</i>			
Pass-Through County of San Diego Health and Human Services Agency Housing Opportunities for Persons With AIDS	14.241	CAH18F008	170,092
Pass-Through City of San Diego Economic Development Department Community Dependent Block Grant	14.218	B18MC060542	100,000
Pass-Through City of Vista Housing Division Community Dependent Block Grant	14.218	B18MC060575	<u>15,000</u>
Total HUD			285,092
Total expenditures of federal awards			\$ <u>771,682</u>

See independent auditor's report and note to schedules of expenditures of federal awards.

MAMA'S KITCHEN

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the ‘Schedule’) includes the federal grant activity of Mama’s Kitchen (“Mama’s”) under the programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Mama’s, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mama’s.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursements. Mama’s has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Mama's Kitchen

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mama's Kitchen (a nonprofit organization) ("Mama's"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mama's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mama's internal control. Accordingly, we do not express an opinion on the effectiveness of Mama's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mama's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ling & Bowman, LLP

November 8, 2019
San Diego, California

LING & BOUMAN, LLP
Certified Public Accountants
4669 Murphy Canyon Road, Suite 130
San Diego, California 92123
Tel. (858) 467-4770 Fax (858) 467-4779

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Mama's Kitchen

Report on Compliance for Each Major Federal Program

We have audited Mama's Kitchen (a nonprofit organization) ("Mama's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mama's major federal programs for the year ended June 30, 2019. Mama's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Mama's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mama's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mama's compliance.

Opinion on Each Major Federal Program

In our opinion, Mama's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Mama's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mama's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mama's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ling & Bowman, LLP

November 8, 2019
San Diego, California

MAMA'S KITCHEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weaknesses identified? _____ yes none reported
Significant deficiencies identified? _____ yes none reported

Noncompliance material to financial statements noted? _____ yes none reported

Federal Awards

Internal control over major programs:
Material weaknesses identified? _____ yes none reported
Significant deficiencies identified? _____ yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes none reported

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.914	U.S. Department of Health and Human Services – Pass-Through County of San Diego Health and Human Services Agency

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ yes no

MAMA'S KITCHEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

No reportable conditions, material weaknesses, and instances of noncompliance were identified that related to the financial statements and that were required to be reported.

Section III – Federal Award Findings and Questioned Costs

No reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs were identified that related to the Federal Awards and that were required to be reported by 2 CFR 200.516(a).

MAMA'S KITCHEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Prior Audit Findings

Not applicable.

MAMA'S KITCHEN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Corrective Action Plan

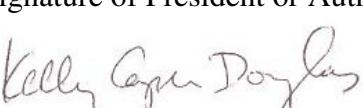
There was no corrective action plan that was required to be reported.

SAN MARCOS COMMUNITY FOUNDATION

Grant Cover Page



(Choose one) MINI-GRANT (Choose one) REGULAR GRANT

Project Name: Court Appointed Special Advocate (CASA) Program Date Submitted: April 1, 2020	Total # of people served: 1,700 Total # of San Marcos residents served: 41	Amount Requested: \$2,500
Non-Profit Organization Name and Address, Website Voices for Children 2851 Meadow Lark Drive, San Diego, CA 92123 www.speakupnow.org	Contact Person – Name, Title & Phone, email Christina Piranio, Director of Development 858-598-2216 ChristinaP@speakupnow.org	
<p><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u></p> <p>Voices for Children (VFC) is requesting \$2,500 in program support to recruit, train, and supervise Court Appointed Special Advocate (CASA) volunteers as they advocate on behalf of children from San Marcos living in the foster care system. Today, the cases of 22 children from San Marcos are awaiting CASA assignment after being referred to VFC by San Diego County judges, attorneys, and other professionals. The cost of providing one year of advocacy to a foster youth in San Diego County is \$2,500. A \$2,500 grant will enable VFC to provide one previously unserved child from San Marcos with CASA advocacy.</p>		
<p><u>Briefly describe the significance of your request to the San Marcos community:</u></p> <p>This year, 41 children from the City of San Marcos have spent time in foster care after experiencing abuse or neglect. The annual cost of foster care ranges between \$20,000 (for a child placed in a foster home) and \$96,000 (for a youth placed in a group home). According to the National CASA Association, children with CASAs spend less time in the foster care system. Foster youth with CASAs are also less likely to require public assistance or become incarcerated. It costs \$63,000/year to house a non-violent offender in California. In comparison, a year of CASA advocacy costs only \$2,500. When a CASA changes the trajectory of a foster child's life, every San Marcos community member benefits.</p>		
<p>Please attach the following items.</p> <p>Both Mini-Grant & Regular:</p> <ol style="list-style-type: none"> 1. Budget for request (use SMCF Budget Worksheet) 2. Annual Operating budget for the organization or unit 3. Federal & State Tax ID numbers 4. Board of Directors listing with affiliations <p>5. Regular Grants Only:</p> <ol style="list-style-type: none"> a. 1-2 page narrative b. First 2 pages of Federal 990 c. Most recent year-end Statement or Audit including any management letters associated with Audit. d. Signature of President or Authorized Officer on Application e. Optional: letters of support 		
<p>Expected date project will begin/end: 7/1/2019</p> <p>Date by which funds will be expended: 6/30/2020</p> <p>Signature of President or Authorized Officer</p>  <p><u>Kelly Capen Douglas</u>, President & CEO 4/1/2020 Name, Title Date</p> <p>Submit Via Mail, In Person or Via Email to: San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): imagee@san-marcos.net</p>		

SAN MARCOS COMMUNITY FOUNDATION

Budget Worksheet

Provide an itemized list of expenses for this project:
(example – 72 bicycle helmets at \$7.80 each including tax = \$561.60)

<u>Staff Salaries</u>	\$2,518,458
<u>Payroll Taxes</u>	\$215,336
<u>Employee Benefits</u>	\$272,684
<u>Workers Compensation</u>	\$24,106
<u>Children's Assistance Fund</u>	\$40,000
<u>Dues, Fees, & Subscriptions</u>	\$38,543
<u>Corporate Insurance</u>	\$39,960
<u>CASA Mileage Reimbursement</u>	\$120,600
<u>Office Equipment Repair/Maint.</u>	\$34,724
<u>Office Supplies</u>	\$28,480
<u>Phones</u>	\$37,827
<u>Postage/Ship/Courier</u>	\$6,300
<u>Printing</u>	\$18,000
<u>Professional Services</u>	\$6,000
<u>Other Expenses</u>	\$14,650
<u>Rent</u>	\$344,732
Total budget for this PROJECT:	\$3,760,400

Grant Request Amount:
(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)

Is this a challenge grant? No. Could it be? Yes.

Please list any other funding sources for this project.

**Indicate if funds are committed (C), conditional (CD), or pending (P).

\$595,000 (Name of source) Foundations ** C
\$106,585 (Name of source) Corporations ** C
\$618,167 (Name of source) Government ** C

\$28,964	(Name of source)	<u>Service Organizations</u>	**	<u>C</u>
\$1,229,442	(Name of source)	<u>Individuals</u>	**	<u>C</u>
\$960,826	(Name of source)	<u>Special Events</u>	**	<u>C</u>
\$56,590	(Name of source)	<u>Miscellaneous</u>	**	<u>C</u>
\$549,500	(Name of source)	<u>Additional Foundation Grant Requests</u>	**	<u>P</u>

Voices for Children Organizational Budget 2019-2020	
Revenues	
Foundation Grants	\$1,260,000
Corporate	\$300,000
Government	\$1,630,000
Individuals	\$1,230,000
Service Organizations	\$60,000
Special Events	\$1,996,000
Interest & Dividends	\$9,180
Other	\$43,200
Total Revenues	\$6,528,380
Expenses	
Personnel	
Staff Salaries	\$4,055,280
Payroll Taxes	\$331,959
Employee Benefits	\$414,792
Workers Compensation	\$41,605
Total Personnel	\$4,843,636
Special Event Expenses	
Event Expenses	\$430,000
Operating Costs	
Credit Card Fees	\$17,144
Dues, Fees, & Subscriptions	\$70,044
Marketing	\$151,000
Corporate Insurance	\$39,960
Meal/Mileage Expense	\$243,600
Office Equipment Repair/Maint.	\$42,040
Office Supplies	\$42,476
Phones	\$52,500
Postage/Ship/Courier	\$10,800
Printing	\$20,400
Professional Services	\$89,100
Other Expenses	\$37,595
Rent	\$418,200
Total Operating Costs	\$1,234,859
Total Expenses	\$6,508,495



Federal Tax ID Number: 95-3786047

CA State Tax ID Number: 1155526



Board of Directors **FY2019-2020**

William B. Sailer, Esq., Chair; *Senior Vice President & Legal Counsel at Qualcomm, Inc.*
AnneElise Goetz, Esq., Vice Chair; *Partner at Higgs Fletcher & Mack LLC*
Lise N. Wilson, Esq., Secretary; *Attorney and Community Volunteer*
George Lai, Treasurer; *President of Lily Lai Foundation*
Melise Balastrieri; *Vice President of Marketing and Development, MG Properties Group*
Mary Benirschke; *Speech and Language Pathologist at The Rock Academy*
David Bialis; *Retired Senior Vice President & General Manager, Cox Communications California*
Ryan Blair; *Senior Vice President & Team Leader, Real Estate Division, City National Bank*
Annette Bradbury; *Community Volunteer*
Patty Cohen; *Residential Realtor, La Jolla Residential*
Nancy Banning Doyle; *Community Volunteer and Former CASA*
Gina Ellis; *Ellis & Associates, LLC, Partner; Ellis Family Foundation, Principal*
Lisette Farrell; *Community Volunteer*
P. Randolph Finch Jr., Esq.; *Finch, Thornton & Baird, LLP, Attorney and Managing Partner*
The Hon. Susan D. Huguenor (Ret); *Former Juvenile Presiding Judge*
Erbin Keith; *Sempra Energy, Deputy General Counsel*
Richard Kintz, Esq.; *Sheppard Mullin, of counsel in the Corporate Practice Group*
Kristen Livingston; *Loan Officer at Residential Wholesale Mortgage, Inc.*
Andrea Moser; *Community Volunteer*
Jennifer O'Connell; *Retired Partner and Chief Financial Officer at GlobeFlex Capital, LP*
Hollis R. Peterson, Esq.; *Attorney & Partner at Paul, Plevin, Sullivan & Connaughton LLP*
Nancy R. Pfeiffer; *Property Management Executive and Former CASA*
Kristi Pfister; *Attorney and Community Volunteer*
Penny E. Robbins; *Managing Partner, Halcyon Seas, LLC*
Lauree Sahba; *Chief Operating Officer of SDREDC*
Katie Sullivan; *Community Volunteer*
Ted Tchang, *Managing Owner of Techbilt Companies*
Dale E. Yahnke, CFA, CFP®; *Founding Partner at Dowling & Yahnke LLC Wealth Management*



VFC'S GRANT REQUEST TO THE SAN MARCOS COMMUNITY FOUNDATION

MISSION STATEMENT

Voices for Children's (VFC) mission is to transform the lives of abused, abandoned, and neglected children in San Diego County foster care by providing them with Court Appointed Special Advocates (CASAs).

VFC HISTORY

VFC was founded in 1980 by law student Kathryn Ashworth and social worker Elizabeth Bacon with the intention of mitigating the devastating effects of child abuse and long-term foster care. They adopted an emerging volunteer model in which volunteers, called CASAs, are enlisted to ensure better home placements and more positive life outcomes for foster youth. Today, VFC is the third largest CASA program in the nation, providing more than 1,700 children with CASA services each year. VFC is the sole organization authorized to recruit, train, and supervise CASAs in San Diego County.

CASA PROGRAM OVERVIEW



This year, VFC anticipates that more than 3,500 children will spend time in the San Diego County foster care system after experiencing abuse, neglect, or abandonment. VFC will provide 1,700 of these children with advocacy and mentorship through the assignment of a CASA volunteer. VFC receives overwhelming support from San Marcos community members. This year, 51 CASA volunteers from San Marcos have advocated on behalf of 85 children in foster care. However, there are

many more children who still need support. Today, the cases of 22 children from San Marcos are awaiting the assignment of a CASA volunteer after having been referred to VFC by San Diego County judges, attorneys, and other professionals. VFC is requesting \$2,500 in program support to contribute to our efforts to recruit, train, and supervise additional volunteer CASAs who will advocate for the educational, physical and mental health, and housing needs of foster youth from San Marcos.

The role of a CASA is critical since youth face many challenges beyond the abuse that originally caused them to enter the foster care system. At a time when children need consistency the most, they encounter shifting foster and group home placements, school transfers, and educational setbacks. Foster children are more likely to have chronic health conditions, learning disabilities, and mental health challenges. As a result, they are at risk for numerous negative outcomes later in life. According to the Child Welfare League, 25% of youth who age out of the foster care system will become homeless, 50% will be unemployed by age 24, and 50% will never graduate from high school.

Research from the Centers for Disease Control shows that having one secure and supportive relationship promotes healthy childhood development and adaptive responses to trauma. While child welfare professionals and caregivers may come and go, CASAs form personal

and enduring relationships with foster youth and provide them with consistent advocacy and support. CASAs are carefully screened and expertly trained to speak up for a foster child's needs in court, at school, and in the community. They meet with their case children on a monthly basis (at a minimum), communicate with the key stakeholders on a child's case, identify a child's unmet needs, and advocate for solutions. Ultimately, CASAs alleviate the negative impact of time spent in the foster care system by providing advocacy and access to resources that help a child to reach their potential.

FISCAL YEAR 2019-2020 OBJECTIVES

In order to meet the needs of San Diego County foster youth during FY 2019 – 2020, VFC will accomplish the following:

Objective 1: Recruit 250 prospective CASA volunteers.

Activities:

- Reach out to 70 local community groups who are interested in volunteering.
- Offer 20 in-person or online information sessions for prospective volunteers.
- Conduct digital marketing including social media and blog posts.

Objective 2: Train 215 new CASAs and assign them to San Diego County foster youth.

Activities:

- Conduct 7-8 sessions of Advocate University, which includes 35 hours of coursework and a court observation experience.
- Each prospective CASA will complete three interviews and three rounds of background checks.

Objective 3: Provide all San Diego County foster children with case assessment and/or advocacy based on their level of need.

Activities:

- VFC staff will complete a risk assessment for each child who enters foster care. Children with the most urgent needs will be assigned to a CASA volunteer.
- CASAs will meet with their case child on a monthly basis, at a minimum. CASAs will spend 10-15 hours a month visiting their case child and communicating with the key stakeholders on a child's case.

CONCLUSION

The role of the CASA has never been more important. Children in foster care experience uncertainty in their lives, but our local communities and the world at large are experiencing a new kind of crisis with the arrival of COVID-19. We know that during this time, children will reach out to their CASA for assurance and support. We also know that tumultuous times often trigger actions that result in more removals and an increase in the number of children entering foster care. Voices for Children will be working closely with the courts to mitigate the impact of the crisis on these vulnerable children. A grant from the San Marcos Community Foundation in support of our CASA program will enable more children in foster care to have an advocate and a champion during this critical time. Thank you for your consideration of this proposal.

IRS e-file Signature Authorization
for an Exempt Organization

OMB No. 1545-1878

For calendar year 2017, or fiscal year beginning JUL 1, 2017, and ending JUN 30, 2018

2017

► Do not send to the IRS. Keep for your records.

► Go to www.irs.gov/Form8879EO for the latest information.Department of the Treasury
Internal Revenue Service

Name of exempt organization

Employer identification number

VOICES FOR CHILDREN

95-3786047

Name and title of officer

TED TCHANG
TREASURER**Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0). But, if you entered -0 on the return, then enter -0 on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ► <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>6,344,970.</u>
2a Form 990-EZ check here ► <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ► <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ► <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ► <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2017 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

 I authorize CONSIDINE & CONSIDINE

ERO firm name

to enter my PIN 86047Enter five numbers, but
do not enter all zeros

as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ►

Date ► 02/11/19**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

30212494444

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2017 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ►

Date ► 02/12/19

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2017

Open to Public
Inspection

► Do not enter social security numbers on this form as it may be made public.
► Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2017 calendar year, or tax year beginning JUL 1, 2017 and ending JUN 30, 2018

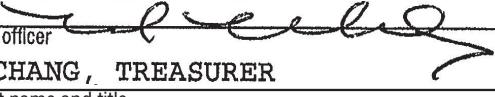
B Check if applicable:	C Name of organization VOICES FOR CHILDREN		D Employer identification number 95-3786047
<input type="checkbox"/> Address change	Doing business as		E Telephone number (858) 569-2019
<input type="checkbox"/> Name change	Number and street (or P.O. box if mail is not delivered to street address) 2851 MEADOW LARK DRIVE	Room/suite	G Gross receipts \$ 7,466,581.
<input type="checkbox"/> Initial return	City or town, state or province, country, and ZIP or foreign postal code SAN DIEGO, CA 92123		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Final return/terminated	F Name and address of principal officer: DAVID BIALIS SAME AS C ABOVE		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Amended return	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)() (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		If "No," attach a list. (see instructions)
<input type="checkbox"/> Application pending	J Website: ► WWW.SPEAKUPNOW.ORG		H(c) Group exemption number ►
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		L Year of formation: 1982 M State of legal domicile: CA	

Part I | Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: WE RECRUIT, TRAIN, AND SUPERVISE VOLUNTEERS TO ADVOCATE FOR ABUSED CHILDREN IN FOSTER CARE.	
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3 Number of voting members of the governing body (Part VI, line 1a)	3 26
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 26
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5 95
	6 Total number of volunteers (estimate if necessary)	6 1599
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0.
b Net unrelated business taxable income from Form 990-T, line 34	7b 0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 6,025,055. Current Year 6,301,154.
	9 Program service revenue (Part VIII, line 2g)	0. 0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,812. 15,773.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-78,511. 28,043.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,952,356. 6,344,970.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	139,044. 151,751.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0. 0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	4,402,032. 4,681,247.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0. 0.
	b Total fundraising expenses (Part IX, column (D), line 25) ► 827,512.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,092,598. 1,232,102.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	5,633,674. 6,065,100.
19 Revenue less expenses. Subtract line 18 from line 12	318,682. 279,870.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 2,672,263. End of Year 2,947,746.
	21 Total liabilities (Part X, line 26)	719,113. 709,325.
	22 Net assets or fund balances. Subtract line 21 from line 20	1,953,150. 2,238,421.

Part II | Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	►  TED TCHANG, TREASURER	Date 02/12/19
	Type or print name and title	
Paid	Print/Type preparer's name RICHARD HOTZ	Preparer's signature
Preparer	Date 02/12/19	Check <input type="checkbox"/> if self-employed
Use Only	Firm's name ► CONSIDINE & CONSIDINE	PTIN P00452784
	Firm's address ► 8989 RIO SAN DIEGO DRIVE, SUITE 250 SAN DIEGO, CA 92108	Firm's EIN ► 95-2694444
		Phone no. 619.231.1977

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III 1 Briefly describe the organization's mission:

VOICES FOR CHILDREN TRANSFORMS THE LIVES OF ABUSED CHILDREN BY PROVIDING THEM WITH COURT APPOINTED SPECIAL ADVOCATES (CASAS).

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 4,859,286. including grants of \$ 151,751.) (Revenue \$ _____)
VOICE FOR CHILDREN (VFC) RECRUITS, TRAINS, AND MANAGES OVER 1,600 VOLUNTEERS ANNUALLY TO SERVE AS COURT APPOINTED SPECIAL ADVOCATES (CASAS) AND IS THE ONLY NONPROFIT ORGANIZATION DESIGNATED BY THE STATE OF CALIFORNIA AND THE SUPERIOR COURTS OF SAN DIEGO AND RIVERSIDE COUNTIES TO PROVIDE THESE CASA SERVICES. VFC WAS FOUNDED IN 1980 IN SAN DIEGO COUNTY, AND SINCE 2014, HAS ALSO OPERATED THE CASA PROGRAM FOR RIVERSIDE COUNTY. MEN AND WOMEN CASA VOLUNTEERS PLAY AN IMPORTANT ROLE IN THE FOSTER CARE SYSTEM, BUILDING TRUSTING RELATIONSHIPS WITH FOSTER CHILDREN AND INTERFACING WITH THE PROFESSIONALS IN ORDER TO IDENTIFY AND PROTECT THE BEST INTERESTS OF ABUSED, NEGLECTED, AND ABANDONED CHILDREN IN FOSTER CARE. CURRENTLY ALL OF THE NEARLY 5,000 CHILDREN IN SAN DIEGO COUNTY FOSTER CARE RECEIVE SERVICE, AND OVER

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► 4,859,286.

Form 990 (2017)



**VOICES FOR CHILDREN
FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION**

	<u>Pages</u>
I Index	1
II Independent auditor's report	2 – 3
III Statements of financial position	4
IV Statements of activities and changes in net assets	5 – 6
V Statements of functional expenses	7 – 8
VI Statements of cash flows	9
VII Notes to the financial statements	10 – 23

CONSIDINE CONSIDINE
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Voices For Children

We have audited the accompanying financial statements of Voices For Children, a nonprofit organization, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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.

Earning Your Trust Since 1946

8989 RIO SAN DIEGO DRIVE, SUITE 250 • SAN DIEGO, CA 92108

TEL 619-231-1977 • FAX 619-231-8244 • www.cccpa.com

**AGENDA ITEM
#5F.14**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Voices For Children, a Nonprofit Organization, as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Considine & Considine".

CONSIDINE & CONSIDINE
An accountancy corporation

December 27, 2019

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

Page 4

ASSETS

CURRENT ASSETS

Cash (note 3)	\$ 1,394,708	\$ 2,208,428
Marketable securities (note 4)	260,177	250,327
Contributions receivable (note 5)	335,125	157,146
Grants receivable (note 6)	251,131	147,842
Prepaid expenses	<u>135,339</u>	<u>23,120</u>
	2,376,480	2,786,863

PROPERTY AND EQUIPMENT (note 8)

OTHER ASSETS

Rent deposit	<u>30,225</u>	<u>29,025</u>
--------------	---------------	---------------

TOTAL ASSETS

2,561,623 2,947,746

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued expenses (note 9)	391,639	411,044
Deferred rent	81,195	68,781
Deferred revenue	<u>29,870</u>	<u>229,500</u>
TOTAL LIABILITIES	502,704	709,325

NET ASSETS (note 15)

Without donor restrictions	1,816,928	1,989,215
With donor restrictions	<u>241,991</u>	<u>249,206</u>
	<u>2,058,919</u>	<u>2,238,421</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 2,561,623 \$ 2,947,746

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

Page 5

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE			
Gifts and contributions	\$ 2,873,985	\$ 98,084	\$ 2,972,069
Special events, net (note 12)			
(Less: direct benefit to donors of \$312,994)	1,842,206	-	1,842,206
Government funding	1,402,264	-	1,402,264
Contributed goods, services, and facilities	94,643	-	94,643
Realized and unrealized gain, net (note 4)	3,719	-	3,719
Interest and dividends	<u>21,140</u>	<u>-</u>	<u>21,140</u>
	6,237,957	98,084	6,336,041
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	<u>105,299</u>	<u>(105,299)</u>	<u>-</u>
TOTAL REVENUE	6,343,256	(7,215)	6,336,041
OPERATING EXPENSES			
Program services	5,233,101	-	5,233,101
Management and general	318,640	-	318,640
Fundraising	<u>963,802</u>	<u>-</u>	<u>963,802</u>
	<u>6,515,543</u>	<u>-</u>	<u>6,515,543</u>
CHANGE IN NET ASSETS	(172,287)	(7,215)	(179,502)
NET ASSETS, BEGINNING	1,989,215	249,206	2,238,421
NET ASSETS, ENDING	<u>\$ 1,816,928</u>	<u>\$ 241,991</u>	<u>\$ 2,058,919</u>

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018

Page 6

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE			
Gifts and contributions	\$ 3,340,137	\$ 177,471	\$ 3,517,608
Special events, net (note 12)			
(Less: direct benefit to donors of \$163,320)	1,980,731	-	1,980,731
Government funding	1,148,295	-	1,148,295
Contributed goods, services, and facilities	133,268	-	133,268
Realized and unrealized gain, net (note 4)	8,143	-	8,143
Interest and dividends	<u>13,031</u>	<u>-</u>	<u>13,031</u>
	6,623,605	177,471	6,801,076
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	<u>185,006</u>	<u>(185,006)</u>	<u>-</u>
TOTAL REVENUE	6,808,611	(7,535)	6,801,076
OPERATING EXPENSES			
Program services	4,936,024	-	4,936,024
Management and general	378,302	-	378,302
Fundraising	<u>1,201,479</u>	<u>-</u>	<u>1,201,479</u>
	<u>6,515,805</u>	<u>-</u>	<u>6,515,805</u>
CHANGE IN NET ASSETS	292,806	(7,535)	285,271
NET ASSETS, BEGINNING	1,696,409	256,741	1,953,150
NET ASSETS, ENDING	<u>\$ 1,989,215</u>	<u>\$ 249,206</u>	<u>\$ 2,238,421</u>

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

Page 7

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES				
Operating				
Children's assistance fund	\$ 50,158	\$ -	\$ -	\$ 50,158
Credit card fees	-	-	7,010	7,010
Dues and subscriptions	27,640	16,130	26,944	70,714
Employee benefits	292,539	13,502	22,503	328,544
Equipment and maintenance	40,439	827	651	41,917
Food and site rental	975	-	-	975
Insurance	44,989	-	-	44,989
Marketing	148,021	-	-	148,021
Materials	11,521	1,052	3,707	16,280
Mileage and meals	217,987	8,354	13,291	239,632
Office supplies	38,483	3,151	2,582	44,216
Payroll taxes	270,022	16,770	45,662	332,454
Printing	18,931	339	423	19,693
Postage	6,002	171	3,199	9,372
Professional services	88,644	69,239	25,625	183,508
Rent	385,467	7,638	26,733	419,838
Salaries	3,429,924	178,366	526,891	4,135,181
Telephone	26,687	520	1,736	28,943
Workers' compensation	27,819	1,713	4,665	34,197
Special Events				
Catering	-	-	127,161	127,161
Other event costs	-	-	89,161	89,161
Outside services	-	-	218,343	218,343
Printing	-	-	12,957	12,957
Site and equipment rental	-	-	114,514	114,514
In-Kind Donations				
Event tickets	6,460	-	-	6,460
Marketing	22,100	-	-	22,100
Professional services	6,008	-	-	6,008
Supplies	29,869	-	-	29,869
TOTAL EXPENSES				
BEFORE DEPRECIATION	5,190,685	317,772	1,273,758	6,782,215
Depreciation	42,416	868	3,038	46,322
TOTAL EXPENSES	5,233,101	318,640	1,276,796	6,828,537
Less: Direct benefits to donors at special events included in revenue	-	-	(312,994)	(312,994)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	\$ 5,233,101	\$ 318,640	\$ 963,802	\$ 6,515,543
	See accompanying notes		AGENDA ITEM #5F.19	

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

Page 8

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES				
Operating				
Children's assistance fund	\$ 95,221	\$ -	\$ -	\$ 95,221
Credit card fees	220	-	6,204	6,424
Dues and subscriptions	20,626	17,887	8,116	46,629
Employee benefits	272,342	18,105	48,122	338,569
Equipment and maintenance	39,307	112	587	40,006
Food and site rental	910	-	-	910
Insurance	54,071	-	-	54,071
Marketing	185,630	-	-	185,630
Materials	6,052	4,862	1,716	12,630
Mileage and meals	203,304	10,245	11,688	225,237
Office supplies	33,779	4,503	687	38,969
Payroll taxes	264,050	19,808	47,594	331,452
Printing	12,284	945	65	13,294
Postage	5,332	1,957	1,954	9,243
Professional services	48,115	49,585	30,349	128,049
Rent	374,156	7,805	26,349	408,310
Salaries	3,135,437	239,966	635,823	4,011,226
Telephone	26,998	375	2,023	29,396
Workers' compensation	18,208	1,394	3,692	23,294
Special Events				
Catering	-	-	143,200	143,200
Other event costs	-	-	113,331	113,331
Outside services	-	-	218,861	218,861
Printing	-	-	4,680	4,680
Site and equipment rental	-	-	57,215	57,215
In-Kind Donations				
Event tickets	5,410	-	-	5,410
Marketing	37,587	-	-	37,587
Professional services	9,755	-	-	9,755
Supplies	51,120	-	-	51,120
TOTAL EXPENSES				
BEFORE DEPRECIATION	4,899,914	377,549	1,362,256	6,639,719
Depreciation	36,110	753	2,543	39,406
TOTAL EXPENSES	4,936,024	378,302	1,364,799	6,679,125
Less: Direct benefits to donors at special events included in revenue	-	-	(163,320)	(163,320)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	\$ 4,936,024	\$ 378,302	\$ 1,201,479	\$ 6,515,805
	See accompanying notes		AGENDA ITEM #5F.20	

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

Page 9

	2019	2018
CASH FLOWES PROVIDED/(USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ (179,502)	\$ 285,271
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Depreciation and amortization	46,322	39,406
Net realized and unrealized (gain)/loss on investments	(3,719)	(8,143)
Donations of marketable securities included in contributions	(423,291)	(584,324)
Change in operating assets and liabilities:		
Accounts receivable	(177,979)	20,502
Grants receivable	(103,289)	(16,677)
Prepaid expenses	(112,219)	55,902
Other assets	(1,200)	-
Accrued expenses	(19,405)	(80,866)
Deferred rent	12,414	12,415
Deferred revenue	(199,630)	58,663
	<hr/>	<hr/>
	(981,996)	(503,122)
NET CASH USED BY OPERATING ACTIVITIES	(1,161,498)	(217,851)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Purchase of property and equipment	(69,382)	(59,013)
Proceeds on sale of marketable securities	427,749	587,066
Purchase of marketable securities	(10,589)	(152,959)
	<hr/>	<hr/>
	347,778	375,094
NET INCREASE/(DECREASE) IN CASH	(813,720)	157,243
CASH, BEGINNING OF YEAR	<hr/>	<hr/>
	2,208,428	2,051,185
CASH, END OF YEAR	<hr/>	<hr/>
	\$ 1,394,708	\$ 2,208,428
SUPPLEMENTAL DISCLOSURES:		
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 10

NOTE 1 THE ORGANIZATION

Voices for Children (the “Organization”) was founded in 1980 and incorporated as a private, nonprofit organization on August 12, 1982, under Section 501(c)(3) of the Internal Revenue Code and under the laws of the State of California. The Organization operates the only Court Appointed Special Advocate (CASA) Programs in San Diego County and in Riverside County, providing critical advocacy to abused, neglected children who have been placed in the foster care system. Voices for Children recruits, trains, and supervises a large corps of volunteer CASAs, and through them transforms the lives of foster children by advocating on their behalf in the court, community, and schools. CASA volunteers undergo extensive training before being assigned to the cases of foster children. CASAs act as fact-finders for the judges, providing critical information needed to make life-altering decisions for these children. CASA volunteers get to know their court-appointed child by talking with everyone in that child's life: parents and relatives, foster parents, teachers, medical professionals, attorneys, and social workers. They use the information they gather to inform judges and others about what the child needs and they help find the best permanent home for them.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles.

Basis of presentation - Under accounting standards on financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net assets without donor restrictions - Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

Net assets with donor restrictions – Net assets with donor restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. At June 30, 2019 and 2018 the Organization had donor restricted assets of \$241,991 and \$249,206, respectively.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 11

Marketable Securities - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values as quoted by market exchanges in the statement of financial position. Unrealized and realized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Value Measurement - The Organization follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value, and enhances disclosures about fair value measurements for all financial assets and liabilities.

Property and Equipment - The Organization capitalizes property and equipment in excess of \$500 that has a useful life of five to seven years. Property and equipment are carried at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of five to seven years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Deferred Revenue - Revenues received in advance of a special event are deferred. The revenues are recognized when the event occurs.

Contributions - Contributions received are considered to be without donor restrictions and available for general use unless designated by the donor for a specific purpose. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions Receivable - Contributions receivable consist of unconditional promises to give and are recorded in the year the promise is made. Conditional promises are not recognized until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated cash flows. The Organization provides for probable losses on contributions receivable using the allowance method. The allowance is determined based on management's experience and collection efforts.

The discounts on contributions receivable are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The interest rate used in computing the discount of estimated future cash flows was 3% for pledges received in 2019 and 2018.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 12

Contributed Goods, Services and Facilities – The Organization has received substantial donations of goods, professional services, and use of facilities. These in-kind donations are valued at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the value of contributed services received if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The In-kind Contributions consist of the following for the year ended June 30:

	2019	2018
Event tickets	\$ 6,460	\$ 5,410
Marketing	22,100	37,587
Professional services	6,008	9,755
Donated facilities	30,206	29,396
Other miscellaneous contributions	29,869	51,120
	<u>\$ 94,643</u>	<u>\$ 133,268</u>

An integral component of the Organization's work with foster children is its network of over 1,600 volunteers. Many volunteers dedicate 20-25 hours or more each month to their activities with foster children and the Organization tracks their reported hours. For fiscal years ending June 30, 2019 and 2018, the combined donated hours reported by all the Organization's volunteers totaled 163,495 and 167,781, respectively. The value of these hours is substantial, as the Independent Sector values similar services in California at \$29.95 per hour as of 2018, the most recent data available (the Independent Sector's volunteer value is based on the hourly earnings provided by the Bureau of Labor Statistics, indexed to determine state's values, and increased by 12 percent estimated for fringe benefits). The Organization's volunteers are highly trained and closely supervised in their court advocacy and assessment activities; however, they do not meet the criteria under generally accepted accounting principles to be recorded as donated services.

Functional Allocation of Expenses – The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Organization's management.

Advertising Costs - The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2019 and 2018 was \$148,021 and \$185,630 respectively.

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 13

The Organization follows accounting standards which provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax position and believes that all of the positions taken in its exempt-organization tax returns are more likely than not to be sustained upon examination. As of June 30, 2019 and 2018, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California.

In August, 2016, FASB issued Accounting Standards Update 2016-14, Not-for-profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for Profit Entities* (ASU 2016-14). The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Foundation's management elected to adopt ASU 2016-14 effective in the year ending June 30, 2019.

The new standards change the following aspects of Organization's financial statements:

- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The permanently restricted net assets class has been renamed net assets with donor restrictions
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (note 16).
- The net asset disclosures were expanded (note 15).

Reclassifications – Certain reclassifications were made to comply with the adoption of ASU 2016-14. Additionally, certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. These reclassifications had no effect on total assets, total liabilities, and total net assets.

NOTE 3 CASH

The Organization maintains its cash in two national commercial banks. Accounts at these institutions are partially insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2019 and 2018, the Organization had approximately \$858,000 and \$1,646,000, respectively, in excess of their insured limits at the financial institutions. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk with respect to its cash.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 14

Cash consists of the following:

	2019	2018
Unrestricted cash	\$ 1,364,269	\$ 2,174,822
Restricted cash	30,439	33,606
	<u>\$ 1,394,708</u>	<u>\$ 2,208,428</u>

The restricted accounts have donor restrictions on their use and cannot be used for the Organization's operational expenses.

NOTE 4 MARKETABLE SECURITIES

Marketable securities consist of the following:

<u>2019</u>	<u>Cost</u>	<u>Fair value</u>
Bond funds	\$ 46,951	\$ 46,282
Equity funds	204,360	213,895
	<u>\$ 251,311</u>	<u>\$ 260,177</u>

<u>2018</u>	<u>Cost</u>	<u>Fair value</u>
Bond funds	\$ 45,220	\$ 43,039
Equity funds	189,136	207,288
	<u>\$ 234,356</u>	<u>\$ 250,327</u>

Investment Income from Marketable Securities consists of the following:

	2019	2018
Interest and dividends	\$ 21,140	\$ 13,031
Equity funds	3,719	8,143
	<u>\$ 24,859</u>	<u>\$ 21,174</u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 15

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at June 30:

	2019	2018
Unconditional promises to give (due within one year)	\$ 286,073	\$ 104,046
Restricted pledges (due within one year)	49,052	53,100
	<u>\$ 335,125</u>	<u>\$ 157,146</u>

NOTE 6 GRANTS RECEIVABLE

Grants receivable consists of amounts due from various state agencies for the salaries of certain program employees. As of June 30, 2019 and 2018, amounts due from various state agencies were \$251,131 and \$147,842 respectively. An allowance for doubtful accounts is accounted for using the specific identification method and uncollectible accounts are written-off after all collection attempts have been exhausted. Management believes that all grants receivable were collectible as of June 30, 2019 and 2018, therefore no allowance has been recorded.

NOTE 7 FAIR VALUE MEASUREMENT

The Organization follows the methods of fair value measurement to value its financial assets. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Page 16

Financial assets and liabilities carried at fair value at June 30, 2019 and 2018 are classified below in one of three categories described above. The tables below present the balances of assets measured at fair value on a recurring basis.

	2019	2019	2019	2019
	Level 1	Level 2	Level 3	Total
Mutual funds:				
U.S. large cap funds	\$ 91,063	\$ -	\$ -	\$ 91,063
Bond funds	46,282	-	-	46,282
International funds	33,348	-	-	33,348
U.S. small-mid cap funds	19,925	-	-	19,925
Real estate securities funds	65,369	-	-	65,369
Multi-strategy funds	4,190	-	-	4,190
	<u>\$ 260,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,177</u>

	2018	2018	2018	2018
	Level 1	Level 2	Level 3	Total
Mutual funds:				
U.S. large cap funds	\$ 133,658	\$ -	\$ -	\$ 133,658
Bond funds	43,039	-	-	43,039
International funds	33,450	-	-	33,450
U.S. small-mid cap funds	19,622	-	-	19,622
Real estate securities funds	11,712	-	-	11,712
Multi-strategy funds	8,846	-	-	8,846
	<u>\$ 250,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,327</u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 17

NOTE 8 PROPERTY AND EQUIPMENT

Major categories of property and equipment are summarized as follows:

	Balance		Balance
	June 30, 2018	Additions	June 30, 2019
Office furniture and equipment	\$ 307,469	\$ 8,577	\$ 292,787
Computers	261,904	45,746	268,808
Phone system	100,692	15,059	45,369
	<u>\$ 670,065</u>	<u>\$ 69,382</u>	<u>\$ 606,964</u>
Accumulated depreciation			(452,046)
			<u>\$ 154,918</u>

	Balance		Balance
	June 30, 2017	Additions	June 30, 2018
Office furniture and equipment	\$ 303,177	\$ 4,292	\$ 307,469
Computers	237,493	24,411	261,904
Phone system	70,382	30,310	100,692
	<u>\$ 611,052</u>	<u>\$ 59,013</u>	<u>\$ 670,065</u>
Accumulated depreciation			(538,207)
			<u>\$ 131,858</u>

Depreciation expense was \$46,322 and \$39,406 for the years ended June 30, 2019 and 2018, respectively.

NOTE 9 ACCRUED EXPENSES

Accrued expenses consist of the following:

	2019	2018
Accrued payroll	\$ 151,200	\$ 167,019
Accrued vacation	162,612	159,502
Accrued payables	77,827	84,523
	<u>\$ 391,639</u>	<u>\$ 411,044</u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 18

NOTE 10 LINE OF CREDIT

The Organization has a line of credit for \$400,000 with California Bank & Trust. The Organization has drawn \$0 against this line as of June 30, 2019 and 2018. The line of credit is collateralized by substantially all of the assets of the Organization. The interest rate on the line is 6.5% and 4.50% at June 30, 2019 and 2018, respectively. The line of credit matures on May 14, 2020.

NOTE 11 RETIREMENT PLAN

The Organization maintains a tax-deferred retirement plan qualified under Section 403(b) of the Internal Revenue Code. Eligible employees may contribute a percentage of their compensation to the plan. The Organization does not make contributions to the plan.

While the Organization expects to continue the plan indefinitely, it has reserved the right to modify, amend, or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or their beneficiaries.

NOTE 12 SPECIAL EVENTS

Special events revenues and expenses are directly related to fundraising and consist of the following:

	<u>2019</u>	<u>2018</u>
Revenue		
Starry starry night	\$ 1,303,274	\$ 1,473,867
Fostering hope golf classic	262,589	228,545
Wine, women, and shoes	500,792	335,034
Other fundraisers	<u>88,545</u>	<u>106,605</u>
	<u>2,155,200</u>	<u>2,144,051</u>
Expenses		
Starry starry night	359,717	345,292
Fostering hope golf classic	78,785	71,098
Wine, women, and shoes	84,850	85,731
Other fundraisers	<u>38,784</u>	<u>35,166</u>
	<u>562,136</u>	<u>537,287</u>
	<u><u>\$ 1,593,064</u></u>	<u><u>\$ 1,606,764</u></u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 19

NOTE 13 COMMITMENTS

The Organization is currently leasing office space under an operating lease that expires in March 2024. Rent expense for 2019 and 2018 was \$419,838 and \$408,310 respectively; which includes \$30,206 and \$29,396 of donated office space from the Juvenile Court for the years ended June 30, 2019 and 2018 respectively. The Organization expects that the Juvenile Court will make such in-kind donations in the future.

The organization entered into an eighty-eight month building lease agreement on July 1, 2015. The lease is effective July 1, 2015 and expires on March 31, 2024. Base rent is initially set at approximately \$26,300. Total base rent payable over the lease period is \$3,006,630.

Minimum future payments under non-cancelable operating leases, in aggregate, having remaining terms in excess of one year for the years ended June 30 are as follows:

2020	\$ 347,760
2021	347,760
2022	365,148
2023	365,148
2024	<u>287,550</u>
	<u>\$ 1,713,366</u>

NOTE 14 ENDOWMENT FUND

In 2017 the Organization received funds totaling \$100,000 from two donors, for the purpose of establishing a restricted endowment fund, in the honor of former President/CEO Sharon M. Lawrence. During 2018, the Organization received an additional \$62,500. As a result, the Organization is now subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization's Board of Directors has interpreted the UPMIFA as permitting the expenditure or accumulation of as much of endowment funds as the Organization determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund was established, even if this results in the occasional invasion of the endowment's historical gift value. Thus, at times, the value of donor-restricted assets may fall below the level that a donor requires the Organization to maintain as restricted net assets. As of June 30, 2019 and 2018, the value of the donor-restricted assets had not fallen below the original donated level.

The Organization classifies as restricted endowment net assets (a) the original value of gifts used to establish endowments and (b) the original value of subsequent gifts to endowments: collectively known as "historical gift value."

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 20

Included in marketable securities on the Statement of Financial Position are restricted investments held in an endowment fund. The objective of the endowment fund is to support the continuing operations of the Organization. During the fiscal year ending June 30, 2018, the Organization delegated authority over the investment of the Endowment Fund to the Finance Committee (the "Committee"). The Committee is responsible for the oversight of the investments of the Endowment Fund and for reporting on the Fund's performance to the Board. The Committee is authorized to retain an investment manager to make investment decisions.

To achieve the desired objective, the Organization will adopt an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are typically invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to meet the annual distribution policy rules while growing the fund if possible. Investment risk is measured in terms of the total endowment fund, investment assets, and allocation between asset classes. Strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment payout is defined as a fixed percentage of the market value of the Endowment Funds that can be used for appropriation every year. This amount will be available for Organization-wide operating purposes, including investment management fees for the Endowment Fund. As of June 30, 2019, the endowment payout is set at 5% as determined by the finance committee.

The portion of the Endowment Fund that is classified as with donor restrictions (to be held in perpetuity) is not reduced by losses on the investments of the fund. Losses on the investments of the funds reduce the net assets with donor restrictions to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining losses reduce net assets without donor restrictions.

The Organization had the following endowment fund activities:

	2019	2018
Investment income	\$ 9,964	\$ 5,174
Unrealized gain/(loss) on investments	(4,837)	4,521
Purchase of marketable securities	-	(5,111)
Investment and trustee fees	(753)	(463)
Total change in endowment funds	<u><u>\$ 4,374</u></u>	<u><u>\$ 4,121</u></u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 21

Changes in endowment net assets are as follows:

	2019	2018
Endowment net assets, beginning of year	\$ 162,500	\$ 100,000
Donor contributions	-	62,500
Endowment net assets, end of year	<u>\$ 162,500</u>	<u>\$ 162,500</u>

NOTE 15 NET ASSETS

The changes as a result of ASU 2016-14 as outlined in note 2 have the following effect on the net assets at June 30, 2018:

<u>Net asset class</u>	<u>As originally presented</u>	<u>After adoption of ASU 2016-14</u>
Unrestricted	\$ 1,989,215	\$ -
Temporarily restricted	86,706	-
Permanently restricted	162,500	-
Without donor restrictions	-	1,989,215
With donor restrictions	-	249,206
	<u>\$ 2,238,421</u>	<u>\$ 2,238,421</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or events specified by donors during fiscal years ended June 30 are as follows:

	2019	2018
Purpose restrictions accomplished:		
Grant fulfillment	\$ 53,100	\$ 127,944
Children's Assistance Fund	<u>52,199</u>	<u>57,062</u>
	<u>\$ 105,299</u>	<u>\$ 185,006</u>

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 22

Net assets consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Undesignated and unrestricted	\$ 1,816,928	\$ 1,989,215
With donor restrictions		
Subject to expenditure for specific purpose:		
Grant fulfillment	49,052	53,100
Children's Assistance Fund	30,439	33,606
Endowments held in perpetuity	162,500	162,500
	<u>241,991</u>	<u>249,206</u>
	<u><u>\$ 2,058,919</u></u>	<u><u>\$ 2,238,421</u></u>

NOTE 16 LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by contributions without donor restrictions. Contributions and expenses are monitored on a monthly basis by the Organization's management and a committee of the Board of Directors. The level of assets are monitored on an annual basis. The Organization's goal is to be able to function within the boundaries of the income received throughout the year.

The Organization currently has a line of credit established with a local bank. The line of credit ensures short-term financial ability of the Organization to pay general expenditures. As part of the Organization's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization manages its liquidity following three guiding principles: operating within a prudent range of financial stewardship and stability, maintaining adequate liquid assets to fund near term operating needs, and maintaining sufficient funds to provide reasonable assurance that long-term obligations will be discharged.

**VOICES FOR CHILDREN
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 23

The following reflects the Organization's financial assets as of June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets, at year-end:

Cash	\$ 1,394,708
Contributions receivable	335,125
Grants receivable	251,131
Marketable securities	<u>260,177</u>
Total financial assets	<u>2,241,141</u>

Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:

Restricted for specific programs	(79,491)
Endowment funds held in perpetuity	<u>(162,500)</u>
	<u>(241,991)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 1,999,150</u></u>

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 27, 2019, the date which the financial statements were available to be issued. Except for the event disclosed in the above paragraph, there were no subsequent events which affected the amounts or disclosures in the financial statements.

SAN MARCOS COMMUNITY FOUNDATION
Grant Award History FY 2019-2020

Name	Amount	Grant Type	Date	Name of Project	Summary of Project
San Marcos Lions Club	\$4,000	Regular	2/18/2020	Vision Screening Equipment	Provide funds to help purchase new vision testing equipment for mobile vision and hearing testing unit for low-income students and seniors. Will serve 16,640 residents
Casa de Amparo	\$5,000	Regular	2/18/2020	Residential Services	Provide funds for residential services which provide 24-hour trauma care for foster youth. Will serve 100 residents
Women's Resource Center	\$4,000	Regular	2/18/2020	Alternatives to Violence - Emergency Shelter Program	Provide funds to be used to support domestic violence shelter for survivors. Will serve 773 residents.
Just in Time for Foster Youth	\$3,000	Regular	11/19/2019	College Bound FY 20	Provide funds to support transition-age foster youth (ages 18-26) attending CalState San Marcos with tools for success. Will serve 50 students.
Jacobs & Cushman San Diego Food Bank	\$2,000	Regular	11/19/2019	Emergency Food Relief - North County Food Bank	Provide funds to purchase approximately 38,000 pounds of nutritious fresh produce for low-income families. Will serve approximately 5,000 residents.
North County Health Services	\$5,000	Regular	11/19/2019	NCHS San Marcos Pediatric Dental Sensor	Provide funds to support the purchase a Schick dental HD x-ray sensor to serve low-income, minority, and underserved children. Will serve 2,385 residents.
Friends of San Marcos Parks	\$3,000	Regular	11/19/2019	Jack's Pond Nature Center Improvements	Provide funds to purchase items for the improvement of Jack's Pond Nature Center. Will serve approximately 3,000 residents a year.
Lake San Marcos Kiwanis Club Foundation	\$600	Mini	11/14/2019	LSM Kiwanis Literacy Project	Provide funds to purchase books for childhood literacy program. Will serve 4,000 San Marcos children.
American Academy of Pediatrics-CA	\$1,500	Mini	11/14/2019	Reach Out and Read San Diego 0-6 Initiative	Provide funds to expand Reach Out and Read San Diego delivery to vulnerable newborns. Will serve 300 San Marcos children.
The Escondido Creek Conservancy	\$1,500	Mini	8/27/2019	Elfin Forest Interpretive Microscope	Purchase stereo microscope for visitors to view creek inhabitants. Will serve approximately 1,300 residents a year.
San Marcos Prevention Coalition	\$1,000	Regular	8/27/2019	San Marcos Prevention Coalition Youth Group	Provide funds for Youth Coalition Director and 7 youth to participate in San Diego County Office of Education Spring Jam Leadership Development Camp. Serves 10,000 residents.

North County LGBTQ Resource Center	\$3,500	Regular	8/27/2019	Project Youth	Provide funds to support The Center's Youth activities including mental health services, the Leadership Summit Project, and Certified LGBTQ Competency Training for educators, youth organizations and first responders. Will serve 2,885 residents.
San Diego Children's Discovery Museum	\$3,000	Regular	8/27/2019	Educational Mobile Children's Museum Workshops and Exhibits for Low-Income Children in San Marcos	Provide supplemental education workshops to Title-I and low-income schools in the San Marcos Unified School District (SMUSD) through the Mobile Children's Museum. Will serve approximately 1,050 San Marcos children.
Interfaith Community Services	\$1,000	Regular	8/27/2019	North County Senior Connections	Provide funds to support the North County Senior Connections program which provide low-income seniors with hot, affordable meals, socialization, referrals for health care and other services. Will serve 401 seniors.
The Elizabeth Hospice	\$2,500	Regular	8/27/2019	Grief Support Services	Provide grief support services which include counseling, educational workshops, outreach programs, community events, and specialized programs for children and families. Will serve 251 residents.
Solutions for Change	\$2,500	Regular	8/27/2019	Solutions for Change	Provide parents and children a safe, stable, sober living environment and provide extensive support services for successful transition to self-sufficiency. Will serve 20 residents.
Total Grants Awarded FY 19/20	\$43,100				

Summer Quarter FY 2020-2021: Funding Recommendation Worksheet

Asset Balance on 6/30/2020:	\$ 1,160,250.79
Total Available for Distribution for FY 2020-21:	\$46,410-\$58,012
Total FY 2019-20 Distributions Year to Date:	\$43,100
Total Funds Available for Quarter if Awarding Grants at 4% of Assets:	\$11,603
Total Funds Available for Quarter if Awarding Grants at 5% of Assets:	\$14,503

Name	Requested Amount	Type	Name of Project	Summary of Project	Board Approval Amount
McAlister NIWARC	\$1,500.00	Mini	San Marcos Homeless Relief	Funds will be used to purchase hygiene kits, socks, blankets, and bus passes for the homeless population. Will serve 250-350 residents.	
Meals on Wheels*	\$1,500.00	Mini	Senior Care in the Home	Funds will be used for food and packing of meals to be delivered to seniors who are homebound. Will serve 155 residents.	
Coastal Roots Farm*	\$5,000.00	Regular	Organic Food Distribution Program	Funds will be used to maintain their 17.5 acre farm in order to produce food for vulnerable members of the community. Will serve 500 residents.	
Community Resource Center (CRC) *	\$7,500.00	Regular	Homeless Prevention and Intervention	Funds will be used for homeless prevention and intervention services. Will serve 83 residents.	
Mama's Kitchen	\$5,000.00	Regular	Home-Delivered Meal Service - San Marcos	Funds will be used to purchase food and meal containers for home delivered meal service.. Will serve 21 residents.	
Voices for Children	\$2,500.00	Regular	Court Appointed Special Advocate (CASA) Program	Funds will be used to recruit, train, and supervise CASA volunteers as they advocate on behalf of children from San Marcos living in the foster care system. Will serve 41 residents.	
Total Grants Requested:	\$23,000.00			Total Amount Recommended:	

*Previously funded by SMCF

SMCF Resolution No 2020-XX

**A RESOLUTION OF THE SAN MARCOS COMMUNITY FOUNDATION
BOARD OF DIRECTORS AUTHORIZING THE AWARD OF GRANT
MONIES TO CERTAIN NON-PROFIT ORGANIZATION APPLICANTS**

-- SUMMER QUARTER 2020--

WHEREAS, the San Marcos Community Foundation Board of Directors is authorized, pursuant to its adopted articles and bylaws, to entertain proposals for non-profit activities from qualified public and charitable groups; and

WHEREAS, a total of four (4) proposals were received by the Foundation prior to the grant submittal deadline established for the 2020 Summer Quarter; and

NOW, THEREFORE, BE IT RESOLVED, that the San Marcos Community Foundation Board of Directors does hereby authorize funding of the following grant proposals in the amounts specified:

<u>REQUESTING ORGANIZATION</u>	<u>GRANT AWARD</u>
Coastal Roots Farm	\$TBD
Community Resource Center	\$ TBD
Mama's Kitchen	\$ TBD
Voices for Children	\$ TBD

BE IT FURTHER RESOLVED, that actual award of the above grants shall be contingent upon satisfactory compliance with all preconditions to funding specified.

BE IT FURTHER RESOLVED, that the Board's decision is based upon its determination that the above-referenced requests meet applicable legal requirements for funding as a non-profit activity and conform to Foundation policies pertaining to grant awards.

PASSED, APPROVED AND ADOPTED by the San Marcos Community Foundation Board of Directors, at a regular meeting thereof, this 18th day of August, 2020, by the following roll call vote:

AYES: BOARD MEMBERS: BANKS, BURTON, BLANKENSHIP-WILLIAMS, GENDEL, LUKOFF,
VANMIDDLESWORTH, WILSON

NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: NONE

Colleen Lukoff, Board President

ATTEST:

Joseline Cadima, Secretary