
SAN MARCOS COMMUNITY FOUNDATION BOARD MEETING AGENDA

Tuesday, November 17, 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-19 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 cityclerk@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 August 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 cityclerk@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 – North County Philanthropy Council Honoree & Membership Organizations (San Diego Grantmakers, San Marcos Chamber of Commerce, North County Philanthropy Council)
 - Jewish Community Foundation Reports
 - SMCf 2021 Meeting Calendar
 - Discussion on transfer of funds to Rancho Santa Fe Foundation for COVID-19 relief.*Recommendation: NOTE & FILE/DISCUSS*
4. **MINI GRANT APPLICATION PROPOSALS** - Consider mini grant proposals by non-profit organizations requesting funds from the Foundation.
 - (A) **CLASSIC 4 KIDS** - Request for funding in the amount of \$1,500. Will serve 720 residents.
Recommendation: CONSIDER/APPROVE
 - (B) **THE SAN MARCOS PROMISE** - Request for funding in the amount of \$1,500. Will serve 2,000 residents. *Recommendation: CONSIDER/APPROVE*
5. **REGULAR GRANT APPLICATION PROPOSALS** – Consider regular grant proposals by non-profit organizations requesting funds from the foundation.

- (C) **KIDS COLLEGE** – Request for funding in the amount of \$5,000. Will serve 300 residents. *Recommendation: CONSIDER/APPROVE*
- (D) **CSUSM** – Request for funding in the amount of \$10,000. Will service 100 residents. *Recommendation: CONSIDER/APPROVE*
- (E) **THE FOUNDATION FOR SENIOR WELLBEING** – Request for funding in the amount of \$5,000. Will serve 250 residents. *Recommendation: CONSIDER/APPROVE*
- (F) **NORTH COUNTY LGBTQ RESOURCE CENTER**– Request for funding in the amount of \$10,000. Will serve 2,885 residents. *Recommendation: CONSIDER/APPROVE*
- (G) **NEIGHBORHOOD HEALTHCARE**– Request for funding in the amount of \$4,250. Will serve 1,830 residents. *Recommendation: CONSIDER/APPROVE*
- (H) **BOYS & GIRLS CLUB SAN MARCOS** – Request for funding in the amount of \$10,000. Will serve 88 residents. *Recommendation: CONSIDER/APPROVE*
- (I) **SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**– Request for funding in the amount of \$10,000. Will serve 21 residents. *Recommendation: CONSIDER/APPROVE*
- (J) **FRATERNITY HOUSE**– Request for funding in the amount of \$5,000. Will serve 4-15 residents. *Recommendation: CONSIDER/APPROVE*
- (K) **JUST IN TIME FOR FOSTER YOUTH**– Request for funding in the amount of \$10,000. Will serve 60 residents. *Recommendation: CONSIDER/APPROVE*
- (L) **JACOB & CUSHMAN SAN DIEGO FOOD BANK**– Request for funding in the amount of \$10,000. Will serve 5,000 residents. *Recommendation: CONSIDER/APPROVE*
- (M) **THE ELIZABETH HOSPICE**– Request for funding in the amount of \$10,000. Will serve 235 residents. *Recommendation: CONSIDER/APPROVE*
- (N) **MOONLIGHT CULTURAL FOUNDATION**– Request for funding in the amount of \$5,000. Will serve 67 residents. *Recommendation: CONSIDER/APPROVE*
- (O) **NORTH COUNTY HEALTH PROJECT NOW TRUCARE**– Request for funding in the amount of \$5,000. Will serve 1,215 residents. *Recommendation: CONSIDER/APPROVE*

6. GRANT SUMMARY

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

- (b) Fall Funding Recommendation Worksheet
 - (c) Resolution No. 2020-XX – Fall Quarter Regular Grants
- Recommendation:* **CONSIDER/APPROVE**

7. **STRATEGIC PLANNING**

Recommendation: **DISCUSS/APPROVE**

8. **PROMOTIONAL AND FUNDRAISING ACTIVITIES/IDEAS**

Recommendation: **DISCUSS/APPROVE**

ITEMS FOR THE GOOD OF THE ORDER

9. **MISCELLANEOUS**

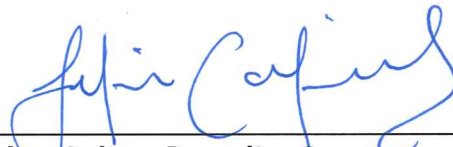
Selection of next quarter's Grant Funding Subcommittee

10. **ADJOURNMENT**

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 Tuesday, November 10, 2020 prior to 5:30 pm.



Joseline Cadima, Recording Secretary

MINUTES

REGULAR MEETING OF THE SAN MARCOS COMMUNITY FOUNDATION BOARD

Tuesday, August 18, 2020 – 6:00 PM

San Marcos Conference Room – 2nd Floor

CALL TO ORDER: Board President Lukoff called the meeting to order at 6:05 p.m.

ROLL CALL:

PRESENT: BOARD MEMBERS: BANKS *, BURTON*, GENDEL*, LUKOFF*,
WILSON*, VANMIDDLESWORTH*

ABSENT: BOARD MEMBERS: BLANKENSHIP-WILLIAMS

*Members of the City Council attending the meeting via teleconference pursuant to Governor Newsom's Executive Order N-25-20.

ALSO PRESENT: Board Secretary Joseline Cadima and City Clerk Phil Scollick.

CONSENT CALENDAR

1. **WAIVER OF TEXT** – Waived
2. **APPROVAL OF MINUTES** - SMCF Board Meeting of February 18, 2020.

MOVED BY BOARD MEMBER GENDEL, SECONDED BY BOARD MEMBER BANKS TO APPROVE THE CONSENT CALENDAR.

AYES: BOARD MEMBERS: BANKS, BURTON, GENDEL, LUKOFF, WILSON,
VANMIDDLESWORTH

NOES: BOARD MEMBERS: NONE

ABSENT: BOARD MEMBERS: BLANKENSHIP-WILLIAMS

ABSTAIN: BOARD MEMBERS: NONE

ORAL COMMUNICATIONS – No speakers.

NEW BUSINESS

3. **PRESIDENT'S REPORT**

- Provided update on 2-1-1 San Diego.

- Board members discussed transferring funds to the Rancho Santa Fe Foundation to help organizations most affected by COVID-19; noted further discussion is needed at the next board meeting.
- Board members nominated Lesley Blankenship-Williams as Volunteer of the Year for the North County Philanthropy Council Award.

4. MINI GRANT APPLICATION PROPOSAL

Board members discussed the following two mini grant requests:

A). Mcalister Institute (NIWARC), requested \$1,500.00 to purchase hygiene kits, socks, blankets, and bus passes for the homeless population in San Marcos. The board granted \$1,500.00.

B). Meals on Wheels, requested \$1,500.00 for food and packaging of meals to be delivered to seniors who are homebound. The board granted \$1,500.00.

5. REGULAR GRANT APPLICATION PROPOSAL

Board members discussed the following four regular grant requests:

C). Coastal Roots Farm, requested \$5,000.00 to maintain the farm and distribute food to vulnerable members of the community. The board granted \$5,000.00.

D). Community Resource Center, requested \$7,500.00 for homeless prevention and intervention services. The board granted \$7,500.00.

E). Mama's Kitchen, requested \$5,000.00 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.. The board granted \$5,000.00.

F). Voices for Children, Court Appointed Special Advocate (CASA), requested \$2,500.00 to recruit, train, and supervise CASA volunteers as they advocate on behalf of children from San Marcos living in the foster care system. The board granted \$2,500.00.

6. GRANT SUMMARY

- a. Update provided on the Grant Funding History Fiscal Year 2020/2021.
- b. Approved Resolution No. 2020-17 Summer Quarter Regular Grants.

MOVED BY BOARD MEMBER BANKS, SECONDED BY BOARD MEMBER GENDEL TO APPROVE RESOLUTION NO. 2020-17.

AYES: BOARD MEMBERS: BANKS , BURTON, GENDEL, LUKOFF, WILSON,
VANMIDDLESWORTH
NOES: BOARD MEMBERS: NONE
ABSENT: BOARD MEMBERS: BLANKENSHIP-WILLIAMS
ABSTAIN: BOARD MEMBERS: NONE

7. STRATEGIC PLAN

- Board members discussed the possibility of having an online donation system and showcase funded grants on social media.

OLD BUSINESS

8. PROMOTIONAL AND FUNDRAISING ACTIVITIES/IDEAS

- No discussion.

ITEMS FOR THE GOOD OF THE ORDER

9. MISCELLANEOUS

- Deputy City Clerk Cadima noted that the next full board meeting will be held on Tuesday, May 19, 2020 and reminded board members Banks, Blankenship-Williams, Wilson, and Vanmiddlesworth that their term ends in December 31, 2020, and in order to continue serving in this commission, they will need to re-apply in November of 2020.

10. ADJOURNMENT

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

Meeting adjourned at 6:58 p.m.

COLLEEN LUKOFF, BOARD PRESIDENT
SAN MARCOS COMMUNITY FOUNDATION

ATTEST:

JOSELINE CADIMA, DEPUTY CITY CLERK
CITY OF SAN MARCOS

September 30, 2020

[illegible]

Jewish Community Foundation of San Diego

Compliance Comments

As of September 30, 2020

Asset Allocation



Endowment Pool

Asset Class	Minimum	Maximum	Current
Growth Assets	60.0%	90.0%	66.7%
U.S. Equity	10.0%	35.0%	30.5%
International Equity	5.0%	25.0%	18.7%
Emerging Markets Equity	0.0%	15.0%	6.1%
Total Public Equity	20.0%	70.0%	55.3%
Private Equity	0.0%	25.0%	1.2%
Private Debt	0.0%	15.0%	0.0%
Private Real Estate	0.0%	15.0%	2.5%
Growth Fixed Income	0.0%	15.0%	4.8%
Other (Liquid) Real Assets	0.0%	15.0%	2.9%
Total Private/Real Assets/Growth Fixed Income	0.0%	55.0%	11.4%
Risk Reduction Assets	10.0%	40.0%	33.3%
Defensive Fixed Income	5.0%	40.0%	6.8%
Defensive Hedge Funds	5.0%	30.0%	22.3%
Cash	--	--	4.1%

Long Term Pool

Asset Class	Minimum	Maximum	Current
Growth Assets	60.0%	90.0%	68.7%
U.S. Equity	20.0%	50.0%	33.1%
International Equity	10.0%	35.0%	20.0%
Emerging Markets Equity	0.0%	20.0%	6.2%
Total Public Equity	40.0%	90.0%	59.3%
Growth Fixed Income	0.0%	15.0%	5.9%
Other (Liquid) Real Assets	0.0%	10.0%	3.5%
Total Growth Fixed Income & Real Assets	0.0%	20.0%	9.4%
Risk Reduction Assets	10.0%	40.0%	31.4%
Defensive Fixed Income	10.0%	40.0%	30.3%
Global Fixed Income	0.0%	15.0%	1.1%
Cash	--	--	0.0%

Short Term Pool

Asset Class	Minimum	Maximum	Current
Cash, Cash Equivalents, CDs	100%	100%	100%

*Totals may not sum due to rounding

Jewish Community Foundation of San Diego

Compliance Comments

As of September 30, 2020

Asset Allocation

PAVILION
a Mercer Practice

Impact Pool

Asset Class	Minimum	Maximum	Current
Growth Assets	50.0%	90.0%	71.4%
U.S. Equity	25.0%	55.0%	50.5%
International Equity	0.0%	30.0%	19.4%
Total Public Equity	20.0%	70.0%	69.9%
Private Equity	0.0%	20.0%	0.0%
Private Debt	0.0%	20.0%	1.5%
Total Private Assets	0.0%	40.0%	1.5%
Risk Reduction Assets	10.0%	50.0%	28.6%
Defensive Fixed Income	10.0%	50.0%	22.7%
Global Fixed Income	0.0%	15.0%	1.9%
Cash	--	--	4.0%

Mid Term Pool

Asset Class	Minimum	Maximum	Current
Growth Assets	10.0%	35.0%	25.4%
U.S. Equity	5.0%	30.0%	11.2%
International Equity	4.0%	25.0%	7.0%
Emerging Markets Equity	0.0%	15.0%	2.3%
Total Public Equity	10.0%	35.0%	20.4%
Liquid Real Assets	0.0%	15.0%	5.0%
Total Real Assets	0.0%	15.0%	5.0%
Risk Reduction Assets	65.0%	90.0%	74.5%
Defensive Fixed Income	30.0%	90.0%	59.7%
Global Fixed Income	0.0%	30.0%	14.9%
Cash	--	--	0.0%

Long Term Index Pool

Asset Class	Minimum	Maximum	Current
Growth Assets	50.0%	90.0%	75.5%
U.S. Equity	20.0%	60.0%	41.9%
International Equity	5.0%	40.0%	24.4%
Emerging Markets Equity	0.0%	20.0%	9.2%
Total Public Equity	50.0%	90.0%	75.5%
Risk Reduction Assets	10.0%	50.0%	24.5%
Defensive Fixed Income	10.0%	50.0%	24.5%
Cash	--	--	0.0%

*Totals may not sum due to rounding

Jewish Community Foundation of San Diego - Endowment Pool

Asset Allocation & Performance (Net of Fees)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Total Portfolio	147,961,667	100.0	-1.20	5.91	0.72	6.02	5.08	6.97	5.65	6.11	5.64	Jul-2008
Endowment Pool Policy Index			-1.92	5.46	0.96	6.60	5.01	6.83	5.29	6.00	5.02	
CPI + 5%			0.55	2.20	5.06	6.44	6.87	6.90	6.60	6.86	6.50	
Total Equity	83,622,116	56.5	-2.31	8.07	0.83	9.39	6.77	10.18	8.08	8.35	6.48	Aug-2008
MSCI AC World IMI (Net)			-3.10	8.11	0.48	9.57	6.47	9.97	7.60	8.47	6.41	
Global Equity	49,416,055	33.4										
Harding Loevner Global Equity (HLMVX)	16,572,668	11.2	-3.37	9.50	14.42	26.72	12.16	14.58	11.41	10.94	12.04	Jul-2012
MSCI AC World Index (Net)			-3.22	8.13	1.37	10.44	7.12	10.30	7.84	8.55	9.62	
Dodge & Cox Global Stock (DODWX)	16,288,422	11.0	-4.40	2.94	-14.56	-5.34	-1.48	6.36	5.19	7.28	8.51	Jul-2012
MSCI AC World Index Value (Net)			-3.09	3.97	-14.54	-8.03	-1.22	4.96	3.41	5.24	5.83	
Walter Scott Global Stock (DGLRX)	16,554,965	11.2	-1.39	7.74	4.42	12.62	12.11	12.89	9.58	10.34	11.05	Jul-2012
MSCI AC World Index Growth (Net)			-3.34	12.00	18.13	30.21	15.36	15.43	12.10	11.70	13.24	
Large Cap Equity	11,755,561	7.9										
Wellington (Vanguard) Dividend Growth (VDIGX)	11,755,561	7.9	-0.54	9.92	2.86	7.58	12.54	13.09	11.70	13.06	12.87	Jul-2012
S&P 500			-3.80	8.93	5.57	15.15	12.28	14.15	12.68	13.74	13.90	
SMID Cap Equity	3,584,075	2.4										
William Blair (WSMDX)	3,584,075	2.4	-1.64	8.35	9.19	13.82	13.87	14.64	12.99	14.90	14.11	Jul-2013
Russell 2500 Growth Index			-0.77	9.37	11.58	23.37	13.36	14.19	11.69	14.06	13.01	
Russell 2500 Index			-2.59	5.88	-5.82	2.22	4.45	8.97	7.70	10.81	8.72	
Small Cap Equity	3,699,294	2.5										
Integrity Small-Cap Value (VSVIX)	3,699,294	2.5	-5.91	1.50	-27.58	-21.68	-8.48	0.60	1.44	6.43	5.57	Jul-2012
Russell 2000 Value Index			-4.65	2.56	-21.54	-14.88	-5.13	4.11	3.27	7.09	6.51	
Russell 2000 Index			-3.34	4.93	-8.69	0.39	1.77	8.00	6.42	9.85	9.52	

Jewish Community Foundation of San Diego - Endowment Pool

Asset Allocation & Performance (Net of Fees)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
International Developed	8,543,037	5.8										
DFA International Small Company (DFISX)	8,543,037	5.8	-1.01	9.68	-7.39	3.96	-1.02	6.10	4.41	6.18	7.74	Jul-2012
MSCI EAFE Small Cap (Net)			-0.74	10.25	-4.20	6.84	1.40	7.37	5.70	7.33	9.14	
Emerging Markets Equity	4,838,062	3.3										
Touchstone Sands Cptl Emerg Mkts (TSEGX)	2,520,180	1.7	-0.49	18.36	26.34	40.61	13.50	15.81	-	-	16.49	Jun-2016
MSCI Emerging Markets (Net)			-1.60	9.56	-1.16	10.54	2.42	8.97	3.74	2.51	9.67	
Wells Fargo Emerging Markets Equity (EQIIX)	2,317,882	1.6	-1.82	7.70	-11.34	-1.80	-1.02	4.31	1.53	-	4.46	Jun-2016
MSCI Emerging Markets (Net)			-1.60	9.56	-1.16	10.54	2.42	8.97	3.74	2.51	9.67	
Private Equity	1,786,031	1.2										
Glouston Capital Partners	157,993	0.1	0.00	0.00	-8.39	-10.09	-1.11	-0.10	2.61	-	5.46	Jul-2012
Vista Equity Partners VII	1,038,437	0.7	0.00	0.00	4.58	4.25	-	-	-	-	-0.08	Mar-2019
Apollo Investment Fund IX	459,977	0.3	0.00	0.00	4.92	3.37	-	-	-	-	-2.48	Apr-2019
Spur Ventures VI	129,624	0.1	0.00	0.00	-3.11	-1.20	-	-	-	-	-20.88	Jul-2019
Golub Capital BDC 3	75,000	0.1	0.00	-	-	-	-	-	-	-	0.00	Sep-2020
Total Fixed Income	17,380,846	11.7	0.09	2.20	5.56	6.56	4.73	3.82	3.30	3.83	5.06	Jul-2008
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	4.43	
Fidelity U.S. Bond Index Fund (FXNAX)	10,132,668	6.8	-0.08	0.43	6.99	7.06	5.22	4.14	3.93	3.59	-0.08	Sep-2020
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	-0.05	
PIMCO Income Fund Institutional Class (PIMIX)	7,173,178	4.8	0.09	3.01	1.28	3.84	3.63	5.49	5.46	7.03	4.88	Jun-2020
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	1.25	

Jewish Community Foundation of San Diego - Endowment Pool

Asset Allocation & Performance (Net of Fees)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Total Real Asset	7,939,977	5.4	-1.08	3.11	-8.46	-6.10	0.42	3.09	-2.38	-1.87	1.85	May-2009
<i>Real Assets Custom Benchmark</i>			-2.23	4.54	-8.27	-5.52	0.15	1.61	-0.17	0.86	3.41	
Principal Diversified Real Asset (PDRDX)	4,297,445	2.9	-1.97	4.80	-6.19	-1.86	0.61	2.77	0.89	2.64	0.26	Jan-2015
<i>Real Assets Custom Benchmark</i>			-2.23	4.54	-8.27	-5.52	0.15	1.61	-0.17	0.86	0.17	
Apollo Natural Resources II L.P.	883,795	0.6	0.00	0.00	-25.72	-30.27	-8.36	-	-	-	1.64	Jul-2016
WHI Real Estate Partners IV	1,508,517	1.0	0.00	-2.43	3.20	4.11	9.98	-	-	-	10.28	Nov-2017
Brookfield Strategic Real Estate Partners III	1,193,845	0.8	0.00	0.00	-5.90	-3.95	-	-	-	-	-3.73	May-2019
Apollo Natural Resources Partners III, L.P.	-104,221	-0.1										
Related Real Estate Fund III	160,596	0.1										
Total Multi-Strategy	32,949,517	22.3	0.68	4.28	2.84	4.57	3.69	3.05	3.69	3.71	2.68	Jul-2008
<i>HFRI FOF: Conservative Index</i>			-0.34	2.33	0.26	1.89	2.24	2.31	2.53	2.57	1.32	
Magnitude International Class A	19,667,134	13.3	0.52	3.67	4.61	5.96	4.87	3.76	4.70	4.97	4.77	Sep-2012
BlackRock Tempus	1,199,056	0.8	0.32	3.56	9.34	-1.92	-0.13	0.73	0.99	3.18	2.26	Sep-2012
HG Vora	3,828,334	2.6	2.14	8.52	2.61	6.18	5.92	8.09	7.21	9.97	5.47	Mar-2018
<i>HFRI Event-Driven (Total) Index</i>			0.27	4.28	-2.18	0.60	1.60	4.05	3.10	4.01	0.88	
Davidson Kempner	1,999,846	1.4	1.02	4.80	2.63	4.50	-	-	-	-	4.12	Apr-2018
<i>HFRI Fund Weighted Composite Index</i>			-1.09	4.24	0.64	4.23	2.79	4.07	3.56	3.64	2.33	
Capstone	1,943,413	1.3	1.27	2.92	5.04	7.72	5.79	6.73	4.84	5.69	7.58	Aug-2018
<i>HFRI RV: Multi-Strategy Index</i>			0.29	3.04	2.28	4.01	2.79	3.57	3.43	3.84	2.54	
IPM	1,880,703	1.3	-3.92	1.37	-8.83	-4.86	-4.28	-0.65	2.77	2.35	-6.52	Aug-2018
<i>HFRI Macro: Systematic Diversified Index</i>			-2.34	0.25	-2.84	-4.23	0.53	-0.65	1.22	0.38	0.87	
Wolverine Flagship Fund Limited	2,431,031	1.6	1.23	8.24	-	-	-	-	-	-	5.70	Mar-2020
<i>HFRI FOF: Conservative Index</i>			-0.34	2.33	0.26	1.89	2.24	2.31	2.53	2.57	0.71	
Cash	6,069,211	4.1	0.00	0.00	0.00	0.00	-	-	-	-	-	Sep-1996

• Totals might not sum due to rounding

Jewish Community Foundation of San Diego - Endowment Pool

Asset Allocation & Performance (Net of Fees)

September 30, 2020



Pavilion
A Mercer practice

- 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
- Cash includes Capstone proceeds in the amount of \$3,060,000, HG Vora proceeds in the amount of \$1,276,111, and Davidson Kempner proceeds in the amount \$1,320,000.

Jewish Community Foundation of San Diego - Long Term Pool

Asset Allocation & Performance (Net of Fees)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Total Portfolio	47,545,389	100.0	-1.71	5.36	2.15	7.79	5.96	7.85	6.03	6.42	6.44	Jul-2003
Long Term Pool Policy Index			-1.91	5.15	3.11	8.69	6.16	7.73	6.04	6.47	6.41	
CPI + 5%			0.55	2.20	5.06	6.44	6.87	6.90	6.60	6.86	7.14	
Total Equity	28,219,092	59.4	-2.31	7.99	0.92	9.91	7.46	10.98	8.58	8.71	7.58	Aug-2003
MSCI AC World IMI (Net)			-3.10	8.11	0.48	9.57	6.47	9.97	7.60	8.47	8.13	
Global Equity	16,654,044	35.0										
Harding Loevner Global Equity (HLMVX)	5,553,569	11.7	-3.37	9.50	14.42	26.72	12.16	14.58	11.41	10.94	12.04	Jul-2012
MSCI AC World Index (Net)			-3.22	8.13	1.37	10.44	7.12	10.30	7.84	8.55	9.62	
Dodge & Cox Global Stock (DODWX)	5,506,292	11.6	-4.40	2.94	-14.56	-5.34	-1.48	6.36	5.19	7.28	8.51	Jul-2012
MSCI AC World Index Value (Net)			-3.09	3.97	-14.54	-8.03	-1.22	4.96	3.41	5.24	5.83	
Walter Scott Global Stock (DGLRX)	5,594,184	11.8	-1.39	7.74	4.42	12.62	12.11	12.89	9.58	10.34	11.05	Jul-2012
MSCI AC World Index Growth (Net)			-3.34	12.00	18.13	30.21	15.36	15.43	12.10	11.70	13.24	
Large Cap Equity	4,091,730	8.6										
Wellington (Vanguard) Dividend Growth (VDIGX)	4,091,730	8.6	-0.54	9.92	2.86	7.58	12.54	13.09	11.70	13.06	12.87	Jul-2012
S&P 500			-3.80	8.93	5.57	15.15	12.28	14.15	12.68	13.74	13.90	
SMID Cap Equity	1,624,409	3.4										
William Blair (WSMDX)	1,624,409	3.4	-1.64	8.35	9.19	13.82	13.87	14.64	12.99	14.90	14.11	Jul-2013
Russell 2500 Growth Index			-0.77	9.37	11.58	23.37	13.36	14.19	11.69	14.06	13.01	
Russell 2500 Index			-2.59	5.88	-5.82	2.22	4.45	8.97	7.70	10.81	8.72	
Small Cap Equity	1,198,147	2.5										
Integrity Small-Cap Value (VSVIX)	1,198,147	2.5	-5.91	1.50	-27.58	-21.68	-8.48	0.60	1.44	6.43	5.57	Jul-2012
Russell 2000 Value Index			-4.65	2.56	-21.54	-14.88	-5.13	4.11	3.27	7.09	6.51	
Russell 2000 Index			-3.34	4.93	-8.69	0.39	1.77	8.00	6.42	9.85	9.52	

Jewish Community Foundation of San Diego - Long Term Pool

Asset Allocation & Performance (Net of Fees)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
International Developed	3,083,793	6.5										
DFA International Small Company (DFISX)	3,083,793	6.5	-1.01	9.68	-7.39	3.96	-1.02	6.10	4.41	6.18	7.74	Jul-2012
MSCI EAFE Small Cap (Net)			-0.74	10.25	-4.20	6.84	1.40	7.37	5.70	7.33	9.14	
Emerging Markets Equity	1,566,968	3.3										
Touchstone Sands Cptl Emerg Mkts Gr Inst (TSEGX)	816,395	1.7	-0.49	18.36	26.34	40.61	13.50	15.81	-	-	16.49	Jun-2016
MSCI Emerging Markets (Net)			-1.60	9.56	-1.16	10.54	2.42	8.97	3.74	2.51	9.67	
Wells Fargo Emerging Equity Markets (EQIIX)	750,573	1.6	-1.82	7.70	-11.34	-1.80	-1.02	4.31	1.53	-	4.46	Jun-2016
MSCI Emerging Markets (Net)			-1.60	9.56	-1.16	10.54	2.42	8.97	3.74	2.51	9.67	
Total Fixed Income	17,669,591	37.2	-0.28	1.94	4.45	5.00	4.00	3.50	3.06	3.58	4.86	Jul-2003
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	4.26	
Fidelity U.S. Bond Index Fund (FXNAX)	14,385,511	30.3	-0.08	0.43	6.99	7.06	5.22	4.14	3.93	3.59	-0.08	Sep-2020
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	-0.05	
PIMCO Income Fund Institutional Class (PIMIX)	2,784,522	5.9	0.09	3.01	1.28	3.84	3.63	5.49	5.46	7.03	4.88	Jun-2020
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	1.25	
Israel Bonds	499,559	1.1	-0.09	-0.09	-0.09	-0.09	-0.06	1.06	1.79	2.36	3.23	Jan-2004
Total Real Assets	1,656,706	3.5	-1.97	4.80	-6.22	-1.90	0.60	2.76	-2.61	-2.13	1.61	May-2009
Real Assets Custom Benchmark			-2.23	4.54	-8.27	-5.52	0.15	1.61	-0.17	0.86	3.41	
Principal Diversified Real Asset (PDRDX)	1,656,706	3.5	-1.97	4.80	-6.19	-1.86	0.61	2.77	0.89	2.64	0.26	Jan-2015
Real Assets Custom Benchmark			-2.23	4.54	-8.27	-5.52	0.15	1.61	-0.17	0.86	0.17	
Cash	-	0.0	0.00	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)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Total Portfolio	31,086,995	100.0	-1.91	6.15	4.16	10.11	6.64	8.32	-	-	5.85	Jul-2014
Index Pool Policy Index			-2.34	6.25	4.23	10.37	6.76	8.40	-	-	5.85	
CPI +5%			0.55	2.20	5.06	6.44	6.87	6.90	6.60	6.86	6.49	
Equity	23,474,805	75.5	-2.56	8.04	0.57	9.59	6.56	10.07	-	-	6.54	Jul-2014
MSCI AC World IMI (Net)			-3.10	8.11	0.48	9.57	6.47	9.97	7.60	8.47	6.31	
Vanguard FTSE All-World ex-US (VFWAX)	10,495,413	33.8	-1.94	6.32	-4.70	3.75	1.44	6.40	3.52	4.26	2.28	Jul-2014
FTSE All World ex U.S. (Net)			-2.29	6.44	-5.05	3.55	1.50	6.49	3.55	4.32	2.30	
Vanguard Total Stock Market (VTSAX)	12,979,392	41.8	-3.56	9.20	5.49	14.99	11.65	13.68	12.13	13.51	10.74	Jul-2014
CRSP U.S. Total Market TR Index			-3.56	9.20	5.49	14.99	11.65	13.69	12.10	13.44	10.70	
Fixed Income	7,612,191	24.5	0.09	0.62	6.83	6.86	5.25	4.17	-	-	4.01	Jul-2014
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	3.84	
Vanguard Total Bond Market (VBTXX)	7,612,191	24.5	0.08	0.62	7.01	7.04	5.30	4.20	3.94	3.58	3.81	Jul-2014
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	3.84	
Cash	-	0.0	-	-	-	-	-	-	-	-	-	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)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Impact Investment Pool	6,835,407	100.0	-2.42	6.18	4.38	11.04	8.27	-	-	-	8.17	Aug-2017
Impact Investment Pool Policy Index			-2.03	5.50	3.24	9.32	6.42	-	-	-	6.66	
CPI +5%			0.55	2.20	5.06	6.44	6.87	6.90	6.60	6.86	7.05	
Total Equity	4,778,904	69.9	-3.38	8.52	4.34	13.85	10.64	-	-	-	10.82	Aug-2017
MSCI AC World IMI (Net)			-3.10	8.11	0.48	9.57	6.47	9.97	7.60	8.47	6.95	
US Public Equities	3,449,353	50.5	-3.78	9.18	6.43	16.49	12.67	-	-	-	12.76	Aug-2017
S&P 500			-3.80	8.93	5.57	15.15	12.28	14.15	12.68	13.74	12.43	
Jewish Advocacy Strategy	3,449,353	50.5	-3.78	9.18	6.43	16.49	12.67	14.28	12.61	13.96	12.76	Aug-2017
S&P 500			-3.80	8.93	5.57	15.15	12.28	14.15	12.68	13.74	12.43	
International Equities	835,878	12.2	-1.55	4.84	-3.69	4.53	2.06	-	-	-	2.61	Aug-2017
MSCI EAFE ESG Leaders Index			-2.03	5.33	-3.66	4.68	2.67	6.58	4.45	6.03	3.23	
Pax MSCI EAFE	835,878	12.2	-1.55	4.83	-3.56	4.66	2.13	5.61	3.40	-	2.67	Aug-2017
MSCI EAFE ESG Leaders Index			-2.03	5.33	-3.66	4.68	2.67	6.58	4.45	6.03	3.23	
Israeli Equities	493,673	7.2	-3.84	9.73	2.99	11.35	8.03	-	-	-	6.63	Aug-2017
BlueStar Israel Global Index TR Net			-4.29	9.18	1.42	9.84	7.88	6.03	-	-	6.43	
VanEck Bluestar ETF (ISRA)	493,673	7.2	-3.84	9.73	2.99	11.35	8.03	6.07	5.50	-	6.63	Aug-2017
BlueStar Israel Global Index TR Net			-4.29	9.18	1.42	9.84	7.88	6.03	-	-	6.43	
Total Fixed Income	1,782,848	26.1	0.03	0.73	4.47	4.70	3.38	-	-	-	3.09	Aug-2017
Blmbg. Barc. U.S. Aggregate			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	5.10	
Public Debt	1,552,948	22.7	0.04	0.88	5.39	5.63	4.29	-	-	-	3.93	Aug-2017
Blmbg. Barc. Intermed. U.S. Government/Credit			-0.01	0.61	5.92	6.32	4.43	3.39	3.12	2.91	4.24	
Breckinridge	681,215	10.0	0.00	0.79	6.30	6.49	4.65	3.48	3.35	-	4.27	Aug-2017
Blmbg. Barc. Intermed. U.S. Government/Credit			-0.01	0.61	5.92	6.32	4.43	3.39	3.12	2.91	4.24	
CRA Qualified Investment Institutional (CRANX)	871,733	12.8	0.08	0.44	4.15	4.35	3.55	2.75	2.95	2.82	5.92	Oct-2018
Blmbg. Barc. Intermed. U.S. Government/Credit			-0.01	0.61	5.92	6.32	4.43	3.39	3.12	2.91	7.24	

Jewish Community Foundation of San Diego - Impact Investment Pool

Asset Allocation & Performance (Net of Fees)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Israeli Debt	129,899	1.9	-0.06	-0.05	-0.07	0.22	-0.13	-	-	-	-0.13	Sep-2017
Israel Bonds	129,899	1.9	-0.06	-0.05	-0.07	0.22	-0.13	-	-	-	-0.13	Sep-2017
Private Debt	100,000	1.5	0.00	0.00	0.00	0.00	-	-	-	-	0.00	Mar-2019
Mission Driven Finance	100,000	1.5	0.00	0.00	0.00	0.00	-	-	-	-	0.00	Mar-2019
Cash	273,655	4.0	0.00	0.00	0.00	0.10	0.04	-	-	-	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)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Total Portfolio	31,121,714	100.0	-0.72	2.96	4.38	6.59	5.47	5.19	4.19	4.53	5.05	Jul-2003
<i>Mid Term Pool Policy Index</i>			-0.77	2.33	5.14	7.31	5.50	5.38	4.52	4.89	5.36	
Total Equity	6,360,638	20.4	-2.18	7.88	2.82	10.34	9.52	11.64	9.39	9.78	8.10	Aug-2003
<i>MSCI AC World IMI (Net)</i>			-3.10	8.11	0.48	9.57	6.47	9.97	7.60	8.47	8.13	
Global Equity	4,167,021	13.4										
Harding Loevner Global Equity (HLMVX)	2,266,785	7.3	-3.37	9.50	14.42	26.72	12.16	14.58	11.41	10.94	11.86	Sep-2012
<i>MSCI AC World Index (Net)</i>			-3.22	8.13	1.37	10.44	7.12	10.30	7.84	8.55	9.35	
Tweedy Browne Worldwide High Dividend (TBHDX)	1,900,236	6.1	-3.68	1.51	-14.67	-8.98	0.03	4.56	2.41	4.97	4.17	Sep-2012
<i>MSCI World Value (Net)</i>			-3.20	3.87	-14.60	-8.35	-1.01	5.01	3.83	6.00	6.20	
<i>MSCI World (Net)</i>			-3.45	7.93	1.70	10.41	7.74	10.48	8.34	9.37	10.02	
Emerging Markets Composite	448,389	1.4										
Touchstone Sands Cptl Emerg Mkts Gr Inst (TSEGX)	448,389	1.4	-0.49	18.36	26.34	40.61	13.50	15.81	-	-	-0.49	Sep-2020
<i>MSCI Emerging Markets (Net)</i>			-1.60	9.56	-1.16	10.54	2.42	8.97	3.74	2.51	-1.60	
Large Cap Equity	1,745,228	5.6										
Wellington (Vanguard) Dividend Growth (VDIGX)	1,745,228	5.6	-0.54	9.92	2.86	7.58	12.54	13.09	11.70	13.06	12.80	Sep-2012
<i>S&P 500</i>			-3.80	8.93	5.57	15.15	12.28	14.15	12.68	13.74	13.70	
Total Fixed Income	23,200,234	74.5	-0.04	1.76	5.51	6.12	4.67	3.65	3.25	3.52	4.52	Jul-2003
<i>Blmbg. Barc. U.S. Aggregate</i>			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	4.26	
Fidelity U.S. Bond Index Fund (FXNAX)	11,571,270	37.2	-0.08	0.43	6.99	7.06	5.22	4.14	3.93	3.59	-0.08	Sep-2020
<i>Blmbg. Barc. U.S. Aggregate</i>			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	-0.05	
PIMCO Global Bond (PGBIX)	4,640,280	14.9	0.34	2.60	4.71	5.34	3.85	4.28	4.53	4.57	4.46	Mar-2018
<i>Blmbg. Barc. Global Aggregate Index (Hedged)</i>			0.37	0.73	4.65	4.14	5.13	4.32	4.32	3.92	6.03	
BlackRock Strategic Income (BSIKX)	6,988,685	22.5	-0.03	2.80	3.04	4.71	3.72	3.73	3.47	3.53	4.23	May-2018
<i>Blmbg. Barc. U.S. Aggregate</i>			-0.05	0.62	6.79	6.98	5.24	4.18	3.97	3.64	7.36	

Jewish Community Foundation of San Diego - Mid Term Pool

Asset Allocation & Performance (Net of Fees)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Total Real Assets	1,560,842	5.0	-1.97	4.80	-6.19	-1.86	0.61	2.77	-2.60	-	-4.29	Sep-2012
<i>Real Assets Custom Benchmark</i>			-2.23	4.54	-8.27	-5.52	0.15	1.61	-0.17	0.86	-0.34	
Principal Diversified Real Asset (PDRDX)	1,560,842	5.0	-1.97	4.80	-6.19	-1.86	0.61	2.77	0.89	2.64	0.26	Jan-2015
<i>Real Assets Custom Benchmark</i>			-2.23	4.54	-8.27	-5.52	0.15	1.61	-0.17	0.86	0.17	
Cash	-	0.0	0.00	-	-	-	-	-	-	-	-	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)

September 30, 2020

	Allocation		Performance									
	Asset \$	%	1 Month	QTD	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Inception	Inception Date
Total Portfolio	55,954,046	100.0	0.00	0.04	0.75	1.30	1.67	1.18	0.93	0.72	1.45	Jul-2003
<i>Short Term Pool Policy Index</i>			<i>0.01</i>	<i>0.04</i>	<i>0.64</i>	<i>1.10</i>	<i>1.69</i>	<i>1.20</i>	<i>0.86</i>	<i>0.64</i>	<i>1.35</i>	
Dreyfus Treasury & Agency Cash Mgmt. (DTRXX)	26,462,916	47.3										
Dreyfus Treasury & Agency Cash Mgmt. (DTRXX)	26,462,916	47.3	0.00	0.02	0.38	0.74	1.44	1.00	0.71	0.51	1.24	Jul-2003
UBS Cash Equivalents	16,071,882	28.7										
UBS Cash Equivalents	16,071,882	28.7	0.00	0.02	0.32	0.61	1.03	0.72	0.52	-	0.52	Oct-2013
UBS Short-Term Investments	13,419,249	24.0										
UBS Short-Term Investments	13,419,249	24.0	0.00	0.06	1.24	1.97	1.99	1.43	1.17	0.97	1.04	Feb-2009

• **Estimated Yield as of 09/30/2020: 0.34%.**

- 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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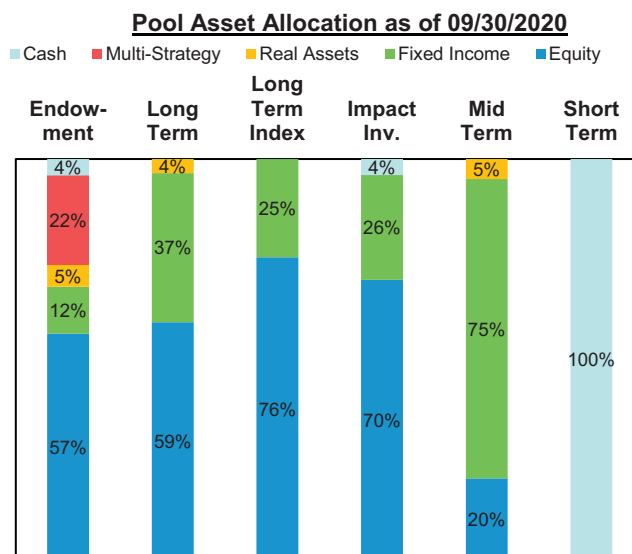
Please see the following link for information on indexes:
<https://www.mercer.com/content/dam/mercer/attachments/private/nurture-cycle/gl-2020-investment-management-index-definitions-mercer.pdf>

Market Update

- **Global equities rebounded during Q3**, with MSCI ACWI gaining 8.1% and reaching positive territory year-to-date. The S&P 500 gained 8.9% during the quarter, outperforming most other markets. International developed stocks rose 4.8% during the quarter.
- **Fixed Income markets posted a slightly positive return for the quarter.** The Bloomberg Barclays Aggregate returned 0.6% during Q3 with corporate bonds outperforming Treasuries. High yield bonds gained 4.6% during the quarter.
- **The momentum factor outperformed in Q3, while value, minimum volatility and quality lagged.** Consumer discretionary, materials and technology stocks posted the best results during Q3, while consumer discretionary and technology lead year-to-date. The energy sector has dramatically underperformed other sectors, both during Q3 and year-to-date.

Pool Asset Allocation & Performance Summary

- **Endowment Pool: Up 5.9% in the quarter.** All asset classes added value in the quarter, notably the Pool's allocation to equities, specifically an allocation to emerging markets.
- **Long Term Pool: Up 5.4% in the quarter**
The Pool's allocation to equities, about 59%, led performance on an absolute basis. The Pool's larger allocation to fixed income, about 37%, held back returns relative to other long term oriented pools.
- **Long Term Index Pool: Up 6.2% in the quarter**
The Pool's performance finished firmly in positive territory, performing in-line with its benchmark.
- **Impact Investment Pool: Up 6.2% in the quarter**
The Pool's substantial allocation (~70%) equities led to outperformance relative to other pools in the quarter.
- **Mid Term Pool: Up 3.0% in the quarter**
The Pool's large allocation to fixed income was a drag on performance relative to other pools, although the fixed income allocation (~75%) finished in positive territory and outperformed its benchmark.



Performance Detail

JCFSD Pool:	Past 3 Months	Cal. YTD	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception*	Incep.
Endowment	5.9	0.7	5.9	6.0	5.1	7.0	5.6	7/2008
Policy Index	5.5	1.0	5.5	6.6	5.0	6.8	5.0	
Long Term	5.4	2.1	5.4	7.8	6.0	7.8	6.4	7/2003
Policy Index	5.2	3.1	5.2	8.7	6.2	7.7	6.4	
Long Term Index	6.2	4.2	6.2	10.1	6.6	8.3	5.9	7/2014
Policy Index	6.2	4.2	6.2	10.4	6.8	8.4	5.9	
Impact Investment	6.2	4.4	6.2	11.0	8.3	-	8.2	7/2017
Policy Index	5.5	3.2	5.5	9.3	6.4	-	6.7	
Mid Term	3.0	4.4	3.0	6.6	5.5	5.2	5.1	7/2003
Policy Index	2.3	5.1	2.3	7.3	5.5	5.4	5.4	
Short Term	0.0	0.8	0.0	1.3	1.7	1.2	1.5	7/2003
Policy Index	0.0	0.6	0.0	1.1	1.7	1.2	1.4	
Other Market Indices:								
S&P 500 (US Stocks)	8.9	5.6	8.9	15.1	12.3	14.1	--	--
Blm. Bar. Agg. (US Bonds)	0.6	6.8	0.6	7.0	5.2	4.2	--	--

All performance is net of (after) investment management fees. *Annualized for periods longer than one year.
 Please access your fund on our website in approximately two weeks to find additional performance, analysis and commentary which includes pool performance compared to benchmarks and rankings compared to other endowments and foundations.

Appendix

ASSET CLASS DEFINITIONS

- **Equities** are stock investments in companies around the world: U.S. and non-U.S. The Foundation uses a wide variety of vehicles and structures, including separate accounts, mutual funds, commingled funds, and limited partnerships.
- **Fixed Income** are bond investments primarily in the U.S., but also outside the U.S. The Foundation uses a wide variety of vehicles and structures to gain exposure to fixed income, including separate accounts, mutual funds, commingled funds and limited partnerships. There are a wide variety of fixed income securities used, including U.S. Treasury and Agency bonds, other sovereign nation bonds, corporate bonds, mortgage-backed securities, and asset-backed securities.
- **Real Assets** are a wide variety of property, buildings and developments, timber, or commodities, which may be gained through mutual funds, commingled funds, and private partnerships. The goal of the Foundation's modest allocation to Real Assets is to provide a potential hedge against unexpectedly high inflation.
- **Multi-Strategy Investments** are investment strategies that allocate across traditional and alternative investments. These investments generally are not tied to market benchmarks, and the goal of these investments is a positive return over the medium term regardless of the performance of broad equity and fixed income markets.
- **Cash** can include cash investments, money market securities, certificates of deposit and short-term U.S. Treasuries.

INVESTMENT OBJECTIVES

- **Endowment Pool**
Designed for donors and nonprofits with very long-term investment horizons (20+ years) and a modest, fixed annual spending rate. The Endowment Pool is managed consistent with endowment best practices, and includes both Real Assets and Multi-Strategy investments (both defined above).
- **Long Term Pool**
Designed for donors and nonprofits with long-term investment horizons (7+ years) and a modest, fixed, annual spending objective. The risk and return profile is designed to be similar to that of the Endowment Pool, although the Long Term Pool will remain liquid and does not include an allocation to Multi-Strategy investments.
- **Long Term Index Pool**
Designed for donors and nonprofits with long-term investment horizons (7+ years) and a desire for a 100% passive (index fund) investment approach. The risk and return profile is designed to be similar to the Long Term and Endowment Pools. The Long Term Index Pool will not include an allocation to Real Assets.
- **Impact Investment Pool**
Designed for donors and nonprofits with long-term investment horizons (7+ years) and a modest, fixed, annual spending objective. The risk and return profile is designed to be similar to that of the Long Term Pool, but will include investment strategies that have an identifiable beneficial impact toward the Foundation's mission. Some of these impact-oriented investments may be illiquid and therefore an investment in this pool requires a long-term investment time horizon.
- **Mid Term Pool**
Designed for donors and nonprofits with medium-term investment horizons (3-7 years). The Mid Term Pool is designed to be moderately conservative and emphasize shorter-term income over longer-term growth. The Mid Term Pool will not include an allocation to Multi-Strategy investments.
- **Short Term Pool**
This cash-equivalent pool is designed for donors or nonprofits that wish to make grants immediately or that cannot sustain any loss of principal over any time horizon.

Note If you would like to recommend a change to the investment of a Donor Advised Fund, please write to us at Finance@jcfsandiego.org or call us at (858) 279-2740.



4950 Murphy Canyon Road, San Diego, CA 92123
(858) 279-2740 | finance@jcfsandiego.org | www.jcfsandiego.org

DATE: November 5, 2020

DELIVER TO: Joseline Cadima and Phillip Scollick

Email: jcadima@san-marcos.net; PScollick@san-marcos.net;
accounting@san-marcos.net;

FROM: JCF Finance Department

OF PAGES: 3, including cover

SUBJECT: *San Marcos Community Foundation (SANM) and
S.M. Community Found – Now & Forever (SANMA)*

MESSAGE: Fund Activity Reports for October 2020

If you have any questions, please feel free to contact us at finance@jcfsandiego.org.

San Marcos Community Foundation		Beginning Balance:	1,291,987.79
Apply Date	Descr.	Expense/DR	Income/CR
-----	-----	-----	-----
10/30/2020	Dividends	0.00	2,070.57
10/30/2020	Realized Gain	0.00	829.08
10/30/2020	Unrealized Loss	7,901.62	0.00
10/30/2020	Unrealized Loss	9,511.44	0.00
10/30/2020	Custodian Fee	64.60	0.00
10/30/2020	Consultant Fee	53.83	0.00
10/30/2020	Foundation Fee	476.92	0.00
		-----	-----
		18,008.41	2,899.65
San Marcos Community Foundation		Ending Balance:	1,276,879.03

S.M. Community Found - Now & Forever		Beginning Balance:	5,564.35
Apply Date	Descr.	Expense/DR	Income/CR
-----	-----	-----	-----
10/30/2020	Dividends	0.00	13.66
10/30/2020	Realized Gain	0.00	0.36
10/30/2020	Unrealized Loss	80.12	0.00
10/30/2020	Custodian Fee	0.28	0.00
10/30/2020	Consultant Fee	0.23	0.00
10/30/2020	Foundation Fee	2.05	0.00
		-----	-----
		82.68	14.02
S.M. Community Found - Now & Forever		Ending Balance:	5,495.69

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) ☒ **MINI-GRANT** (Choose one) ☐ **REGULAR GRANT**

Project Name: Classics 4 Kids Music Education Workshops in San Marcos Elementary Schools Date Submitted: 9/4/2020	Total # of people served: 720 Total # of San Marcos residents served: 720	Amount Requested: \$1,500
Non-Profit Organization Name and Address, Website: Classics 4 Kids 3740 Fourth Avenue San Diego, CA 92103 http://www.classics4kids.org	Contact Person – Name, Title & Phone, email Janelle Hickey Director of Development 619-291-2311 Jhickey@classics4kids.org	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant): Due to COVID-19 pandemic, Classics 4 Kids (C4K) has pivoted vital educational programs online to meet distance learning standards for Carlsbad schools. The San Diego Office of Education has asked C4K to help provide enrichment programs for students during this difficult time. To meet this need, we've created online programs for those learning at home. These new initiatives require financial support to be implemented. C4K requests support to fill the void of music and arts education through our signature virtual programs: Zoom classroom "Musician Meet & Greet".</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community: The goal of Classics 4 Kids is to provide access to high quality music education for youth, with a special focus on those who attend schools in low-income areas. We know that youth who attend Title 1 schools have less access to music programming and education than others who attend schools in more affluent areas. C4K levels the playing field for schools facing barriers in arts and music education by enabling participation in our unique education programs. Last season, 74% of our almost 17,000 participants qualified as attending Title 1, low-income schools. With the help of the San Marcos Community Foundation, C4K will aim to further outreach to schools across San Marcos. Our outreach is measured in several ways, including tracking the diversity in participating schools. C4K reaches these schools by doing diligent research on the needs of our community and through our strong and lasting partnerships with the local schools and the San Diego Office of Education.</p>		
Please attach the following items. <u>Both</u> 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: 1/1/2021 Date by which funds will be expended: 6/31/2021 Signature of President or Authorized Officer <div style="display: flex; justify-content: space-between; border-top: 1px solid black; margin-top: 10px;"> Name, Title Date </div>	
<div style="display: flex; justify-content: space-between;"> <div style="width: 50%;"> 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): jcadima@san-marcos.net </div> </div>		

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)

C4K “Musician Meet & Greet” Programs: 24 programs at \$50 each	<u>\$1,200</u>
C4K Administrative Time to Coordinate Programs: 20 hours at \$15 each.	<u>\$ 300</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

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? 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).**

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



Operational Budget: September 1st, 2020 – August 31st, 2021

Income

Corporate Grants, Foundation Grants and Sponsorships	\$175,000
Individual Donations & Fundraisers	\$70,000
Government Funding	\$46,888
Board Contribution	\$4,000
Professional Development	\$1,000
Student Concert Subsidized Tickets	\$12,000
Low-Income School Bus Scholarships	\$5,000
In-School Workshops	\$2,000

Total Income	\$315,888
---------------------	------------------

Expenses

Administrative Management (2 Staff Member)	\$110,950
Program Staff (2 Staff Members)	\$74,568
Residency Musicians	\$2,000
C4K: LEARN.CREATE.CONNECT Online Programs	\$13,500
Student Concerts	\$48,000
Low-Income School Bus Scholarships	\$5,000
Heart Strings Program - Hospital Locations	\$0.00
State and Federal Payroll Taxes	\$17,000
Professional Services - Bookkeeper & CPA	\$2,800
Fundraising and Development Expenses	\$7,000
Public Relations and Marketing	\$1,000
Rent and Storage	\$6,840
Outlook Email and Phone	\$1,200
Website/ IT Maintenance	\$400
Office Supplies	\$500
Benefits	\$7,200
General Liability, Property, Accident, D&O and Workers Comp	\$12,000
Cal Non-Profits Insurance Membership	\$75
Donor Database for 2 years	\$3,336
Professional Development	\$1,000

Total Expenses	\$314,369
-----------------------	------------------

\$1,519

**Please note: Budget is based on COVID-19 Pandemic figures

September 1st, 2020 – August 31st, 2021

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

DEPARTMENT OF THE TREASURY

Date: **NOV 30 2000**

CLASSICS FOR KIDS INC
C/O MARION SCIRE
1036 ENCINO ROW
CORONADO, CA 92118

Employer Identification Number:
33-0706949
DLN:
17053288731010
Contact Person:
RICHARD COMBS ID# 31024
Contact Telephone Number:
(877) 829-5500
Our Letter Dated:
September 1996
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Letter 1050 (DO/CG)

CLASSICS FOR KIDS INC

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Steven T. Miller

Steven T. Miller
Director, Exempt Organizations



BOARD MEMBERS AND STAFF

Dr. Angela Wang, MD - Voting board member since 2013

Board Chair

Pulmonary Surgeon, Scripps Clinic

Dr. Angela Wang is a past President of the California Thoracic Society and currently serves on the Board of the Directors of the American Thoracic Society through which she works to develop professional development programs at the national and state levels. Like Michelle Obama, she believes that arts education is not a luxury but a necessity. She is thrilled to support Classic4Kids' as they create innovative, original live orchestra programs for elementary school students in the San Diego area. Classics 4 Kids is the only performing arts organization in San Diego whose sole focus is education, inspiring and empowering children through in school workshops and concerts to generate creativity, academic success and cultural understanding.

Kevin M. Fannan - Voting board member since 2016

Board Vice Chair

Associate, Dannis Woliver Kelley

Kevin M. Fannan is an Associate in the San Diego office and member of the Charter Schools, Students and Special Education and Board Ethics, Transparency and Accountability (BETA) Practice Groups. He represents public school districts, county offices of education, and special education local plan areas, in charter schools oversight matters, special education, conflicts of interest, board ethics, informal and formal investigations, and student discipline. He is dedicated to education in his professional and personal life.

Kathleen Lincoln - Voting board member since 2018

Board Secretary

Sr. Manager – Special Programs, Viasat, Inc.

Kathleen Lincoln, in consultation with the VP of Engineering and senior management, leads initiatives to optimize business effectiveness in Viasat's rapidly growing Government Segment, using skills in process improvement, cross functional collaboration, with a deep understanding of Viasat's unique culture to define, design, and implement new program and leadership approaches. Currently focusing on engineering resource management, program execution, optimization, direction, vision, and structure in a matrix organization. Kathleen is a transformative and influential leader who can focus team members on a shared vision and strategy. Serves as an advisor regarding tasks, projects, and operations.



Jake Moelter - Voting board member since 2019

Treasurer

Senior Director, Finance, Support.com (NASDAQ:SPRT)

Jake leads the strategic finance at Support.com to support the organization for scale and growth. He has held strategic/operational financial roles in both public and private companies. He has a history of growing early-stage organizations and optimizing mature businesses through establishment and tracking of short- and long-term plans, establishing cost-control measures and creating/monitoring KPIs.

Brian Marshall - Voting board member since 2020

Board Member

Retired Superintendent La Mesa-Spring Valley Schools, Leadership Coach/Trainer at Hillgrove Consultants LLC

Brian Marshall served as the Superintendent of the La Mesa-Spring Valley Schools for 16 years. During his 30 year career in public education, Brian was a classroom teacher, Vice Principal, Principal, and Assistant Superintendent. Brian believes the arts are critical to our students and society. During his tenure as Superintendent, La Mesa-Spring Valley established the La Mesa Arts Academy, a 4th-8th grade school emphasizing the arts; and the STEAM Academy, a 4th-8th grade school with a Science, Technology, Arts and Math emphasis. Both of these specialty academies have successfully integrated the arts across the curriculum as well as offering a multitude of arts specific elective classes.

Gaston Guerrero - Voting board member since 2016

Board Treasurer

President & CEO, Mercantile Capital Advisors LLC

Gastón Guerrero is a seasoned Financier, Portfolio Manager & Investment Banker. He has been in the financial services industry for over 20 years. During such tenure, he has been a team member of financial institutions operating in various regions of the world and he has also been an entrepreneur having created 3 successful & profitable business. Currently, Mr. Guerrero is the President & CEO of a Registered Investment Adviser based in San Diego, as well as President & CEO of Mercantile Consulting Group, Inc. – a financial restructuring and cross border (US/Mexico) business consulting firm.

Elyse Nguyen - Voting board member since 2020

Board Member

Senior Auditor, Qualcomm Inc.

Elyse Nguyen has been a member of the Internal Audit and Advisory Team at Qualcomm for 3 years. She assists the company with its SOX compliance and acts as a business adviser during large project implementations. Previously she was IT consulting for Grant Thornton LLP where she serviced Technology, SaaS, and Construction clients. She is also an ultra runner and food enthusiast on the side. Elyse believes that everyone should have a form of creative outlet and supports C4K in their mission to provide this to our youths.



Susan Roth - Voting board member since 2011

Board Member

Vice President, U.S. Bank

Susan Roth is a financial services executive with a distinguished career in the retail banking sector in the San Diego area. Susan holds a Bachelor of Science Degree from San Diego State University and is an active community volunteer. She currently serves as Vice President and Branch Manager for U.S. Bank in Scripps Ranch, where she oversees all sales and finance, business operations, staffing, regulatory matters, and client services.

KEY STAFF

Kiran Shelat, Executive Director - A position she has held since 2016. Under Ms. Shelat's leadership, Classics 4 Kids has made tremendous strides through increased grant funding, added staff positions, growth in programs, and increased community outreach and partnerships. Over the past twelve years, Kiran has served in numerous leadership roles and brings a deep understanding of nonprofit leadership and philanthropy through positions at The American Red Cross, Jewish Family Services, Senior Services of Northern Kentucky and World Affairs Council of Greater Cincinnati. Kiran was a finalist for the 2018 Business Leaders Under 40 from the San Diego Business Journal. In addition to her Bachelor of Arts in Integrative Studies from Northern Kentucky University, she has attained certificates in Nonprofit Management, Human Resource Management, and Leadership Development from the University of the Pacific.

Dana Zimbric, Artistic Director/ Conductor - noted for her fresh and creative programming, Dana connects with her audiences through her musical authority and exceptional on-stage presence. A champion for music education, she has been the Artistic Director and Conductor of the Classics Philharmonic Orchestra since 2003. She creates all content for Classics 4 Kids, educates the docents, creates curriculum for teachers - to further the impact of our programs. Dana holds a Bachelor of Music in Clarinet Performance from the University of Wisconsin and a Master of Music in Orchestral Conducting from the University of Wisconsin, Milwaukee.

Janelle Hickey, Director of Development - Janelle Hickey serves as the Director of Development for Classics 4 Kids, joining the team in August 2020. A nonprofit development professional, she has spent her career partnering with community-focused organizations to help make a positive difference in the world. With an academic background in public health, she received her Master of Arts degree in nonprofit management and leadership from the University of San Diego in 2018. Her previous development experience includes working with organizations focused on mental health, LGBTQ rights, HIV/AIDS advocacy, environmental justice, international humanitarian work, and community services for senior citizens and holocaust survivors.

Raised in the Central Valley of California, Janelle has a passion for helping to expand access to resources for those who live in communities of need, especially in the arts and education. She loves San Diego and its delightful independent coffee scene.




Corrine Huber, Program Coordinator - Corrine is the newest member of Classics 4 Kids, recently moving to San Diego from Richmond, VA. In Richmond, VA she worked for a small non-profit, Conexus Vision, for four years as a core member of the programs team. Corrine brings experience in customer service, partnership management, and program coordination. As program coordinator she will work to market and expand the C4K in school workshop program to bring this music education opportunity to schools and students all over San Diego County. Corrine attended school at James Madison University earning a Bachelor's Degree in Psychology. In high school she was also an active member of the marching band, and strongly believes in the value of music in shaping and enriching the education experience. She brings a passion for helping others and her community.



SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page

(Choose one) ☒ **MINI-GRANT** (Choose one) ☐ **REGULAR GRANT**

Project Name: Virtual platform to host events and workshops for students Date Submitted: 10/1/2020	Total # of people served: 2,500 Total # of San Marcos residents served: 2,500	Amount Requested: \$1,500
Non-Profit Organization Name and Address, Website The San Marcos Promise 255 Pico Ave, Ste 103, San Marcos, CA 92069 https://thesanmarcospromise.org/		Contact Person – Name, Title & Phone, email Lisa Stout, Executive Director (760) 290-2373 lisa@thesanmarcospromise.org
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>SM Promise is requesting funds for an online event platform to host its annual Future Fair and Career Expo (attended by 2,500 students and families in the San Marcos Unified School District (SMUSD), 100 colleges and 45 local professionals) and its biannual Connect to Career events (serving 200 students with support from local businesses). SM Promise's large-scale events require easy onboarding for participants and volunteers, features that promote networking, student engagement and tracking, virtual breakout rooms for college and industry-focused chats, and a user-friendly interface. SM Promise's current platform, zoom, does not provide the necessary features to support events of this scale and complexity. SM Promise is also requesting support for its Future Center workshops, which help middle and high school SMUSD students build financial literacy skills, and prepare for college, career and life. The online platform will be used for the Future Center's virtual workshops until schools fully reopen.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>SMCF's support will enable SM Promise to host its college and career events virtually so that students can connect with colleges and local businesses until it is safe to resume in-person events. This is especially critical for high school juniors and seniors who are researching and selecting colleges and career paths; they cannot wait another year for these opportunities. Support will also enable ongoing delivery of virtual Future Center programs that help middle and high school students find their direction and develop the skills necessary to navigate their adult lives. Through these programs and events, students will build critical skills, connect their interests to compatible careers, and take concrete steps to prepare for their future. More graduating seniors will pursue post-secondary education or further their career development and more students will understand their finances and how to make informed money management decisions. As a result, more local students will be prepared for today's in-demand jobs, which positively impact the region's economic vitality.</p>		
<p>Please attach the following items.</p> <p><u>Both Mini-Grant & Regular:</u></p> <ol style="list-style-type: none">1. Budget for request (use SMCF Budget Worksheet)2. Annual Operating budget for the organization or unit3. Federal & State Tax ID numbers4. Board of Directors listing with affiliations5. Regular Grants Only:<ol style="list-style-type: none">a. 1-2 page narrativeb. First 2 pages of Federal 990c. Most recent year-end Statement or Audit including any management letters associated with Audit.d. Signature of President or Authorized Officer on Applicatione. Optional: letters of support		<p>Expected date project will begin/end: 11/1/2020</p> <p>Date by which funds will be expended: 8/31/2021</p> <p>Signature of President or Authorized Officer</p> <p style="text-align: center;"></p> <p><u>Lisa Stout, Executive Director</u> <u>10/1/2020</u></p> <p>Name, Title Date</p> <p>Submit Via Mail, In Person or Via Email to:</p> <p>San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): jcadima@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)

Virtual event platform	\$5,000
Supplies and printing/copying for Future Center Workshops	\$6,100
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$

Total budget for this PROJECT:	\$11,100
---------------------------------------	-----------------

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

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).**

\$3,500 from Kaiser (we will request support for the virtual platform) ** P

SM Promise has also received grant funding this fiscal year for the Future Centers programs (\$221,000 budget) from Union Bank (\$5,000), Samuel I. and John Henry Fox (\$1,500), Arthur Pratt and Jeanette Gladys Pratt Memorial Fund (\$750), and Nordson Corporation Foundation (\$5,000). A portion of these funds will be used for supplies for the Future Center Workshops.



Budget FY 2020-2021

INCOME	
Individual Donors	\$ 27,908
Corp/Sm Business Donations	\$ 60,000
In Kind Donations	\$ 161,000
Foundation Grants	\$ 535,000
Government Grants	
Interest and Other Income	\$ 500
Sponsorship	\$ 7,500
Earned Income	\$ 36,500
Merchandise	
Total Income	\$ 828,408
EXPENSES	
Board and staff training	\$ 1,500
Donated Facilities, professional services and supplies	\$ 161,000
Dues & Subscriptions	\$ 10,500
Field Trips	\$ 3,000
Food and Catering (CTE Support)	\$ 5,000
Insurance	\$ 3,000
Internships	\$ 8,000
Marketing and Advertising/Program Support	\$ 26,000
Printing and Copying	\$ 1,500
Scholarships	\$ 60,000
Supplies, Office and Operating	\$ 25,500
Travel and Meetings	\$ 1,500
Tuition Assistance	\$ 1,500
Allocated employee expense and payroll taxes	\$ 430,420
Professional Fees-Other	\$ 40,600
Information Technology and Web Design	\$ 4,000
Total Expenses	\$ 783,020
Net Increase (Decrease) Assets	\$ 45,388

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

DEPARTMENT OF THE TREASURY

Date: **AUG 05 2014**

THE SAN MARCOS PROMISE
C/O TONI A RITCHEY
950 BOARDWALK STE 201
SAN MARCOS, CA 92078

Employer Identification Number:
46-5460510
DLN:
17053163317004
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
April 4, 2014
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading 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.

THE SAN MARCOS PROMISE

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

Tamera Ripporda

Director, Exempt Organizations



California Secretary of State Electronic Certified Copy

I, ALEX PADILLA, Secretary of State of the State of California, hereby certify that the attached transcript of 2 pages is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.



IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California on
this day of

A handwritten signature in black ink, reading "Alex Padilla".

ALEX PADILLA
Secretary of State

Verification Number:
Entity (File) Number:

To verify the issuance of this Certificate, use the Verification Number above with the Secretary of State Electronic Verification Search available at bizfile.sos.ca.gov





California Secretary of State Electronic Filing

FILED

Secretary of State
State of California

Corporation - Statement of Information

Entity Name:

Entity (File) Number:

File Date:

Entity Type: Corporation

Jurisdiction:

Document ID:

Detailed Filing Information

1. Entity Name:

2. Business Addresses:

a. Street Address of Principal
Office in California:

b. Mailing Address:

3. Officers:

a. Chief Executive Officer:

b. Secretary:

Certificate Verification Number:
Use bizfile.sos.ca.gov to verify the certified copy.

Document ID:



California Secretary of State Electronic Filing

Officers (Cont'd):

c. Chief Financial Officer:

4. Agent for Service of Process:

By signing this document, I certify that the information is true and correct and that I am authorized by California law to sign.

Electronic Signature:

Use bizfile.sos.ca.gov for online filings, searches, business records, and resources.

Certificate Verification Number:
Use bizfile.sos.ca.gov to verify the certified copy.

Document ID:



Board of Directors

Lisa Stout, Executive Director

Steve Eggers, Programs Committee Chair | ACE Tutoring, Owner

Fred Freedman, Programs Committee | Pima Medical Institute, President/CEO

Rick Gittings, Board Chair | City of San Marcos, Former City Manager

Rana Holcomb, Programs Committee | Retired School Psychologist

Rebecca Jones, Programs Committee | City of San Marcos, Mayor

Khary Knowles, Programs Committee | Vanir Construction Management, Executive Director of Education

Justin Matsushita, Board Treasurer and Resource Development Committee | City of Santee, Fire Battalion Chief

Mike McDonald, Resource Development Committee | Urban Villages, Developer

Randy Walton, Programs Committee | Walton Law Firm, Attorney, and San Marcos City Councilmember

Dr. Carmen Garcia, Programs Committee | San Marcos Unified School District, Superintendent

Jenny Orlando, Board Secretary and Events Committee | Double Peak K-8 School, Office Secretary

Dr. Kevin Holt, Honorary Board Member | San Marcos Unified School District, Former Superintendent

SAN MARCOS COMMUNITY FOUNDATION

Grant Cover Page



(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: Fortissimo Orchestral Music Program/Kids College		Total # of people served: 100	Amount Requested: \$5,000
Date Submitted: 10/2/2020		Total # of San Marcos residents served: 200 parents	
Non-Profit Organization Name and Address, Website Kids College 261 Autumn Drive, Suite 115 San Marcos, CA 92069 www.thekidscollege.org.		Contact Person – Name, Title & Phone, email Carole Beeson, Program Director/Founder Kids College 858-922-7401 Cbeeson21@gmail.com	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Our request for funds is to help sustain and grow the Fortissimo Orchestral Music Program in the San Marcos Unified School District (SMUSD) This program is designed for students in the K-8 schools and is offered, at no cost to the students, in partnership with the SMUSD. The requested funds will be primarily used for instructor salaries. Please see the enclosed Fortissimo Orchestral Music Program Plan for the 2020/2021 school year for details.</p>			
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>As the Program commences its 7th year with over 100 students participating our surveys indicate that we are achieving our primary goal of providing a transformational experience for students in low socio-economic circumstances (mostly Hispanic) at no cost to the student. Please see the enclosed Fortissimo Orchestral Music Program Plan for 2020/2021 for details, as well as enclosed student comments and Survey results.</p>			
Please attach the following items. Both Mini-Grant & Regular: <ol style="list-style-type: none"> Budget for request (use SMCF Budget Worksheet) Annual Operating budget for the organization or unit Federal & State Tax ID numbers Board of Directors listing with affiliations 5. Regular Grants Only: <ol style="list-style-type: none"> 1-2 page narrative 		Expected date project will begin/end: On-going Date by which funds will be expended: 6/21 Signature of President or Authorized Officer <div style="display: flex; justify-content: space-between;"> <div> <i>Carole Beeson</i> Name, Title </div> <div> 10/02/2020 Date </div> </div>	

- 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

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): jcadima@san-marcos.net

SAN MARCOS COMMUNITY FOUNDATION
Budget Worksheet

2

Provide an itemized list of expenses for this project:

(example – 72 bicycle helmets at \$7.80 each including tax = \$561.60)

_ * Music Instructors _____

\$ _\$44,250 _____

_ * Program Director _____

\$ _18,000 _____

_ * Instrument _____

Maintenance _____

\$ _\$4,450 _____

_ *Supplies (Music Stands, Music Books, etc. _____

\$3,500 _____

_ * Administrative _____

\$ _6,995 _____

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total budget for this PROJECT:

\$ _77,195 _____

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? No

Please list any other funding sources for this project.

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

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

\$ 20,000 _____ (Name of source) _____ Hunter Family Advised

Fund _____ ** _____ C _____

\$ 5,000 _____ (Name of source) _____ Nordson

Foundation _____ ** _____ P _____

\$ 4,000 _____ (Name of source) _____ Staples/Wisdom

Foundation _____ ** _____ P _____

October 2, 2020

Ms. Colleen R. Lukoff
Chairwoman

San Marcos Community Foundation
One Civic Center
San Marcos, CA 92069



Dear Colleen and Members of the San Marcos Community Foundation,

As we progress through these tumultuous times and adjust to the challenges of COVID, I want to pause a moment and say, again, “thank you” for your support and encouragement over the last six years. Your support has been not only appreciated, but directly contributed to our viability. This year we are conforming to the SMUSD guidelines and teaching our students remotely with programs designed by our instructors. We also plan to create a “virtual” concert with other music groups in the SMUSD which we hope will be feasible by the 1st quarter of next year.

The partnership between Kid’s College and the SMUSD continues to be funded by Kid’s College with a target of \$77,195 for the 2020 – 2021 school year. We do hope that our Application will be favorably considered by the San Marcos Community Foundation Board so we may perpetuate the program. We have been reaching our goals as outlined in our Program Plan and have the support, and endorsement, of Tiffany Campbell, acting SMUSD Superintendent; Rebecca Jones, Mayor of San Marcos, and Jim Desmond, our County Supervisor.

Please feel free to contact me should you need additional information.

Sincerely,

Carole Beeson

Program Director/Founder of Kid’s College

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

DEPARTMENT OF THE TREASURY

Date: **SEP 27 2006**

KIDS COLLEGE
18010 CALLE ESTEPONA
SAN DIEGO, CA 92128

Employer Identification Number:
33-0933622
DLN:
17053217704006
Contact Person:
DAN W BERRY ID# 31122
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated July 2002, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Letter 1050 (DO/CG)



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

4

In reply refer to
755:G :SIK

June 6, 2002

KID'S COLLEGE
CAROLE T BEESON
18010 CALLE ESTEPONA
SAN DIEGO CA 92128-1553

Purpose : CHARITABLE, EDUCATIONAL
Code Section : 23701d
Form of Organization : Corporation
Accounting Period Ending: June 30
Organization Number : 2288505

You are exempt from state franchise or income tax under the section of the Revenue and Taxation Code indicated above.

This decision is based on information you submitted and assumes that your present operations continue unchanged or conform to those proposed in your application. 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 must also be reported.

In the event of a change in relevant statutory, administrative, judicial case law, a change in federal interpretation of federal law in cases where our opinion is based upon such an interpretation, or a change in the material facts or circumstances relating to your application upon which this opinion is based, this opinion may no longer be applicable. It is your responsibility to be aware of these changes should they occur. This paragraph constitutes written advice, other than a chief counsel ruling, within the meaning of Revenue and Taxation Code Section 21012(a)(2).

You may be required to file Form 199 (Exempt Organization Annual Information Return) on or before the 15th day of the 5th month (4 1/2 months) after the close of your accounting period. Please 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

2019 Exempt Org. Return
prepared for:

KIDS COLLEGE
570 RANCHEROS DRIVE Suite 270
SAN MARCOS, CA 92069

Ortega Accountancy A Professional Corp
12526 High Bluff Drive, Suite 300
San Diego, CA 92130

ORTEGA ACCOUNTANCY A PROFESSIONAL CORP
12526 HIGH BLUFF DRIVE, SUITE 300
SAN DIEGO, CA 92130
(858) 623-2786

May 15, 2020

KIDS COLLEGE
570 RANCHEROS DRIVE Suite 270
SAN MARCOS, CA 92069

Dear Client:

Your 2019 Federal Return of Organization Exempt from Income Tax will be electronically filed with the Internal Revenue Service upon receipt of a signed Form 8879-EO - IRS e-file Signature Authorization. No tax is payable with the filing of this return.

Your 2019 California Exempt Organization Annual Information Return will be electronically filed with the State of California upon receipt of a signed Form 8453-EO. There is a balance due of \$10 payable by July 15, 2020. Mail your California payment voucher, Form 3586, on or before July 15, 2020 to:

FRANCHISE TAX BOARD
P.O. BOX 942857
SACRAMENTO, CA 94257-0531

Enclosed is your California Registration/Renewal Fee Report to the Attorney General. The original should be signed at the bottom of page one. There is a fee due of \$75 payable by July 15, 2020. Make the check or money order payable to "Attorney General's Registry of Charitable Trusts" and mail your California report on or before July 15, 2020 to:

REGISTRY OF CHARITABLE TRUSTS
P.O. BOX 903447
SACRAMENTO, CA 94203-4470

Please be sure to call us if you have any questions.

Sincerely,

MARIO G. ORTEGA

KIDS COLLEGE

33-0933622

	2019	2018	DIFF
REVENUE			
CONTRIBUTIONS AND GRANTS.....	118,929	114,936	3,993
PROGRAM SERVICE REVENUE.....	187,149	209,595	-22,446
INVESTMENT INCOME.....	5	7	-2
TOTAL REVENUE.....	306,083	324,538	-18,455
EXPENSES			
SALARIES, OTHER COMPEN., EMP. BENEFITS...	71,369	95,514	-24,145
OTHER EXPENSES.....	218,836	236,825	-17,989
TOTAL EXPENSES.....	290,205	332,339	-42,134
NET ASSETS OR FUND BALANCES			
REVENUE LESS EXPENSES.....	15,878	-7,801	23,679
TOTAL ASSETS AT END OF YEAR.....	46,694	19,129	27,565
TOTAL LIABILITIES AT END OF YEAR.....	11,687	0	11,687
NET ASSETS/FUND BALANCES AT END OF YEAR.	35,007	19,129	15,878

	2019	2018	DIFF
REVENUE			
INTEREST.....	5	7	-2
OTHER INCOME.....	187,149	209,595	-22,446
GROSS CONTRIBUTIONS, GIFTS, & GRANTS.....	118,929	114,936	3,993
 TOTAL INCOME.....	 306,083	 324,538	 -18,455
EXPENSES AND DISBURSEMENTS			
COMPENSATION OF OFFICERS, ETC.....	66,900	89,200	-22,300
TAXES.....	4,469	6,314	-1,845
RENTS.....	10,175	9,634	541
DEPRECIATION AND DEPLETION.....	685	798	-113
OTHER DEDUCTIONS.....	207,976	226,393	-18,417
 TOTAL DEDUCTIONS.....	 290,205	 332,339	 -42,134
 EXCESS OF RECEIPTS OVER DISBURSEMENTS....	 15,878	 -7,801	 23,679
FILING FEE			
FILING FEE.....	10	10	0
BALANCE DUE.....	10	10	0

12/31/19

2019 FEDERAL BOOK DEPRECIATION SCHEDULE

PAGE 1

KIDS COLLEGE

33-0933622

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 990/990-PF																
FURNITURE AND FIXTURES																
2	FURNISHINGS	1/01/10		1,700							1,700	1,700	S/L	7		0
3	FURNISHINGS	6/30/12		365							365	338	S/L	7		27
	TOTAL FURNITURE AND FIXTURE			2,065		0	0	0	0	0	2,065	2,038				27
MACHINERY AND EQUIPMENT																
1	COMPUTER EQUIPMENT	1/01/10		5,000							5,000	5,000	S/L	5		0
4	LAPTOPS	6/30/12		3,375							3,375	3,375	S/L	5		0
5	MONITOR	6/30/12		70							70	70	S/L	5		0
6	DELL COMPUTER (ANN)	8/12/13		431							431	431	S/L	5		0
7	LAPTOP COMPUTERS	12/09/14		1,750							1,750	1,429	S/L	5		321
8	COMMUNICATION EQUIPMENT	6/30/14		97							97	86	S/L	5		11
9	OFFICE FURNITURE	7/22/14		600							600	380	S/L	7		86
10	ESCON CH FND COMPUTER	4/17/15		1,200							1,200	880	S/L	5		240
	TOTAL MACHINERY AND EQUIPME			12,523		0	0	0	0	0	12,523	11,651				658
	TOTAL DEPRECIATION			14,588		0	0	0	0	0	14,588	13,689				685
	GRAND TOTAL DEPRECIATION			14,588		0	0	0	0	0	14,588	13,689				685

12/31/19

2019 CALIFORNIA BOOK DEPRECIATION SCHEDULE

PAGE 1

KIDS COLLEGE

33-0933622

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 199																
FURNITURE AND FIXTURES																
2	FURNISHINGS	1/01/10		1,700							1,700	1,700	S/L	7		0
3	FURNISHINGS	6/30/12		365							365	338	S/L	7		27
TOTAL FURNITURE AND FIXTURE				2,065		0	0	0	0	0	2,065	2,038				27
MACHINERY AND EQUIPMENT																
1	COMPUTER EQUIPMENT	1/01/10		5,000							5,000	5,000	S/L	5		0
4	LAPTOPS	6/30/12		3,375							3,375	3,375	S/L	5		0
5	MONITOR	6/30/12		70							70	70	S/L	5		0
6	DELL COMPUTER (ANN)	8/12/13		431							431	431	S/L	5		0
7	LAPTOP COMPUTERS	12/09/14		1,750							1,750	1,429	S/L	5		321
8	COMMUNICATION EQUIPMENT	6/30/14		97							97	86	S/L	5		11
9	OFFICE FURNITURE	7/22/14		600							600	380	S/L	7		86
10	ESCON CH FND COMPUTER	4/17/15		1,200							1,200	880	S/L	5		240
TOTAL MACHINERY AND EQUIPME				12,523		0	0	0	0	0	12,523	11,651				658
TOTAL DEPRECIATION				14,588		0	0	0	0	0	14,588	13,689				685
GRAND TOTAL DEPRECIATION				14,588		0	0	0	0	0	14,588	13,689				685

Form **8879-EO****IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2019, or fiscal year beginning _____, 2019, and ending _____, 20 _____

► **Do not send to the IRS. Keep for your records.**
► **Go to www.irs.gov/Form8879EO for the latest information.**

2019Department of the Treasury
Internal Revenue Service

Name of exempt organization

KIDS COLLEGE

Name and title of officer

ANN LITTLEEXECUTIVE DIRECTOR

Employer identification number

33-0933622**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 one line in Part I.

1 a Form 990 check here	<input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1 b <u>306,083.</u>
2 a Form 990-EZ check here	<input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2 b _____
3 a Form 1120-POL check here	<input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3 b _____
4 a Form 990-PF check here	<input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4 b _____
5 a Form 8868 check here	<input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5 b _____

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 2019 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 ORTEGA ACCOUNTANCY A PROFESSIONAL CORP to enter my PIN 93362 as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2019 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 2019 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 ► _____

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

81253223206

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 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 ► MARIO G. ORTEGA

Date ► _____

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

BAA For Paperwork Reduction Act Notice, see instructions.Form **8879-EO** (2019)

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.

2019

Open to Public
Inspection**A For the 2019 calendar year, or tax year beginning , 2019, and ending ,****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C
 KIDS COLLEGE
 570 RANCHEROS DRIVE #270
 SAN MARCOS, CA 92069

D Employer identification number

33-0933622

E Telephone number

760-798-4064

G Gross receipts \$ 306,083.**H(a)** Is this a group return for subordinates? Yes ☐ No ☒**H(b)** Are all subordinates included? Yes ☐ 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: ▶ THEKIDSCOLLEGE.ORG**H(c)** Group exemption number ▶**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ **L** Year of formation: 2002 **M** State of legal domicile: CA**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: PROVIDE QUALITY EDUCATIONAL ENRICHMENT PROGRAMS FOR ELEMENTARY AND MIDDLE SCHOOL CHILDREN FOCUSING ON VISUAL ART, PERFORMING ART, SCIENCE AND ENGINEERING, LIFE SKILLS AND FINANCIAL MANAGEMENT.		
	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	3
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	3
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	2
	6	Total number of volunteers (estimate if necessary)	6	16
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, line 39	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	114,936.	118,929.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	209,595.	187,149.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7.	5.
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)	324,538.	306,083.
Expenses	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)	95,514.	71,369.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 18,351.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	236,825.	218,836.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	332,339.	290,205.
19	Revenue less expenses. Subtract line 18 from line 12	-7,801.	15,878.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	19,129.	46,694.
	22	Net assets or fund balances. Subtract line 21 from line 20	0.	11,687.
			19,129.	35,007.

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			
	ANN LITTLE	EXECUTIVE DIRECTOR			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
	MARIO G. ORTEGA	MARIO G. ORTEGA			P00232069
	Firm's name ▶	ORTEGA ACCOUNTANCY A PROFESSIONAL CORP			
	Firm's address ▶	12526 HIGH BLUFF DRIVE, SUITE 300 SAN DIEGO, CA 92130			
				Firm's EIN ▶	82-4283380
				Phone no.	(858) 623-2786

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

Fortissimo Orchestra Program

	2019									2019-			
	January	February	March	April	May	June	July	Aug	Total	September	October	November	December
Revenue													
Actual	\$ 2,000.00	\$ 10,000.00	\$ 7,500.00		\$ 11,300.00		\$ 3,100.00	\$ 15,000.00		\$ -	\$ -		41,553.7
Projected From the District					\$ 760.00								
Projected Fundraising													
Total Actual & Projected Revenue	\$ 2,000.00	\$ 10,000.00	\$ 7,500.00	\$ -	\$ 12,060.00	\$ -	\$ 3,100.00	\$ 15,000.00	\$ 229,719.27	\$ -	\$ -	\$ -	\$ -
10% of actual to Kid's College	\$ 200.00	\$ 1,000.00	\$ 750.00		\$ 1,206.00		\$ 310.00	\$ 1,500.00	\$ 22,846.93	\$ -	\$ -	\$ -	\$ 4,153.7
Total Donations to Fortissimo	\$ 1,800.00	\$ 9,000.00	\$ 6,750.00	\$ -	\$ 10,854.00	\$ -	\$ 2,790.00	\$ 13,500.00	\$ 206,872.34	\$ -	\$ -	\$ -	\$ 37,387.4
Expenses													
Actual Expenses													
Fingerprinting													
Printing					\$ 262.54			\$ 175.09		\$ -	\$ 215.59		101.45
Personnel Costs	\$ 3,475.00	\$ 3,475.00	\$ 3,825.00	\$ 4,177.03	\$ 6,172.70	\$ 3,075.00	\$ 2,091.00	\$ 2,140.20		\$ 4,797.00	\$ 4,674.00	\$ 5,000.00	4,300
Kid's College Personnel Time													
Materials	\$ 293.00									\$ 401.54	\$ 520.00		662.81
LEGOLAND Performance Tickets and Shirts													
WebFront End / Logo													
Other Fortissimo							\$ 180.00						50.00
Total Actual Expenses	\$ 3,768.00	\$ 3,475.00	\$ 3,825.00	\$ 4,177.03	\$ 6,435.24	\$ 3,075.00	\$ 2,271.00	\$ 2,315.29	\$ 198,526.90	\$ 5,198.54	\$ 5,409.59	\$ 5,000.00	\$ 5,114.26
Projected Expenses													
Printing													
Personnel Costs													
Kid's College Personnel Time													
Materials													
WebFront End / Logo													
Other Fortissimo													
Total Projected Expenses	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Actual & Projected Expenses	\$ 3,768.00	\$ 3,475.00	\$ 3,825.00	\$ 4,177.03	\$ 6,435.24	\$ 3,075.00	\$ 2,271.00	\$ 2,315.29	\$ 187,914.63	\$ 5,198.54	\$ 5,409.59	\$ 5,000.00	\$ 5,114.26
Net	\$ (1,968.00)	\$ 5,525.00	\$ 2,925.00	\$ (4,177.03)	\$ 4,418.76	\$ (3,075.00)	\$ 519.00	\$ 11,184.71	\$ 18,957.71	\$ (5,198.54)	\$ (5,409.59)	\$ (5,000.00)	\$ 32,457.76
Rolling	\$ (346.29)	\$ 5,178.71	\$ 8,103.71	\$ 3,926.68	\$ 8,345.44	\$ 5,270.44	\$ 5,789.44	\$ 16,974.15		\$ 11,775.61	\$ 6,346.02	\$ 1,346.02	\$ 1,346.02
	\$ (346.29)	\$ 5,178.71	\$ 8,103.71	\$ 3,926.68	\$ 8,345.44	\$ 5,270.44	\$ 5,789.44	\$ 16,974.15		\$ 11,755.61	\$ 6,346.02	\$ 1,346.02	\$ 1,346.02

KID'S COLLEGE
BOARD OF TRUSTEES
SEPTEMBER, 2020

- Joe Longo – Chair (Businessman)
- Tami Norzay – Secretary (Teacher)
- Carole Beeson – (Founder, Teacher)
- Dr. Mary Contreras – (Principle, Retired)
- Glenda Cuevas – (Principle, Oceanside)

FORTISSIMO ORCHESTRAL MUSIC PROGRAM
ADVISORY BOARD

- Dr. Kevin Holt, Superintendent, SMUSD (Retired)
- Mathew Armstrong, VAPA Director, SMUSD
- Charles McGhee, Music Program Director, Middle Peak K8 School (Retired)
- Dr. Michael Remson, President & CEO, San Diego Youth Symphony
- Glenn Thomas, President, El Sistema Global

FORTISSIMO
SAN MARCOS UNIFIED SCHOOL DISTRICT
ORCHESTRAL PROGRAM
TITLE I ELEMENTARY/SECONDARY
SCHOOLS
September 1, 2020

CONTRIBUTORS/SUPPORTERS:

- San Marcos Unified School District Superintendent/Board
(Authorized program/advocates and provides logistical support)
San Diego Youth Symphony (Advisors and the loan of any string instrument needed as well as training our teaches and consulting— instruments valued at \$12,000)
- Classics for Kids Foundation (\$5,000 matching grant received in Jan. 2014 for our own instruments)(\$2,000 matching grant in 2015)
- Supervisor Bill Horn Community Reinvestment grant
(\$5,000match grant for instruments) received June 2014
- San Marcos Community Foundation (\$5,000 donation)(\$2,000 in 2015)
- Hitzke Development Corporation (\$500 donation)
- Altman Nursery (\$200 donation)
- San Marcos Kiwanis Club (Hosted a \$200 Kick off Luncheon)
- Cal State University San Marcos Center/Artes (Advisors and coaches)
- Palomar College Music Department (Music students will receive credit for serving as coaches)
- San Marcos Historical Society hosted fundraiser
- Kid's College (Program development)
- Stone Brewery fund raiser support - \$300
- San Marcos Arts Council \$750
- Greg and Betty Evans Family \$1,400
- Dr. Ingrid Sharpf \$250
- Mission Federal Credit Union \$2,500
- Hunter Family Advised Fund+ - \$10,000

- Jim Desmond - \$250
- Charlie/Jane McGee - \$2,000
- Kiwanis Lake San Marcos - \$500
- Steve/DeeDee Beeson - \$200
- David/Laura Collins - \$250
- James Meade - \$250
- Larry/Linda Loughnane - \$100
- Pinkas Family Foundation - \$5,000
- San Marcos Rotary Club - \$250
- Roberto Mendoza (Parent) - \$20
- Belem & Gael Medina (Parents) - \$44
- Aaron Eighmey Memorial Foundation - \$2,300
- Sunwest Bank - \$2,000

2016:

- Hunter Family Advised Fund+ - \$20,000 (1/16)
- Supervisor Bill Horn Community Reinvestment grant - \$5,000
- Jim Desmond - \$100
- Mission Federal Credit Union - \$1,500
- Aaron Eighmey Memorial Foundation - \$1,000
- Ann Moore Corley - \$300
- Susan Halfaker - \$300
- Lusardi - \$1,000
- Hunter Family Advised Fund+ - \$20,000 (7/16)
- Don/Lone Beeson - \$100
- Staples Foundation - \$3,000
- Classics for Kids - \$2,500
- Hunter Family Advised Fund+ - \$15,000
- Tippet Foundation - \$5,000
- Donna Huss - \$1,000

2017:

- Supervisor Bill Horn Community Reinvestment Act - \$10,000
- Don/Lone Beeson - \$100
- Greg and Betty Evans - \$1,300
- Classics for Kids - \$2,000

- Lusardi - \$1,000
- Nordson Foundation - \$2,000
- Hunter Family Advised Fund+ - \$20,000 (9/17)
- Carolyn Funes - \$500
- Pinkas Family Foundation - \$3,000
- Staples/Current Wisdom Foundations - \$1,500
- California Latino School Board Assoc. - \$250
- Lucia and Camillo Patrignani - \$1,000
- McGee Foundation - \$1,500
- Ruth Fountain - \$100
- Tony Poulis - \$100
- Tippet Foundation - \$5,000

2018:

- Supervisor Bill Horn Community Reinvestment Act - \$10,000
- Classics for Kids - \$2,500
- San Marcos Community Foundation - \$1,750
- Marty Faga - \$100
- Dr. James Beeson - \$500
- Aaron Eighmey Memorial Foundation - \$1,000
- Glenn Thomas - \$50
- Ruth Fountain - \$100
- Double Peak - \$1,500
- Hunter Family Advised Fund - \$10,000+
- MTS Investments - \$500
- Nordson - \$5,000
- Lusardi - \$2,500
- Marlys Simmons - \$50
- Marion Gillette - \$50
- Glenn Thomas - \$95
- Arnstein Family - \$100
- Kris Smith Design - \$100
- Legoland - \$1,069
- Hunter Family Advised Fund - \$10,000+
- San Marcos Elementary Fund - \$6,000
- Shirley Corley - \$25

- Rancho De Lu Cruz Bunko Group - \$375
- Ruth Fountain - \$100

2019

- Aaron Eighmay Memorial Fund - \$1,000
- Greg and Betty Evans - \$1,000
- Nordson Foundation - \$5,000
- Hunter Family Advised Fund - \$10,000+
- San Marcos Middle School - \$6,000
- Hunter Family Advised Fund - \$10,000+
- Marty Faga - \$500
- Susan Halfaker - \$250
- Rob Sanders - \$100
- Amber Young - \$150
- San Marcos Elementary PTO - \$760
- San Marcos Community Foundation - \$1,250
- Current Wisdom Foundation - \$3,000
- Joey Perry - \$100
- Hunter Family Advised Fund - \$15,000+
- San Diego County Reinvestment Program - \$10,000
- Hunter Family Advised Fund - \$21,000+
- Staples Foundation - \$4,000
- Charlie and Mrs. McGee - \$5,000
- Aaron Eigmy Memorial Fund - \$1,000
- Concert Auction - \$537

2020

- Nordson Foundation - \$5,000
- Hunter Family Advised Fund - \$20,000+
- Larry and Linda Loughnane - \$100
- MTS Investments - \$500

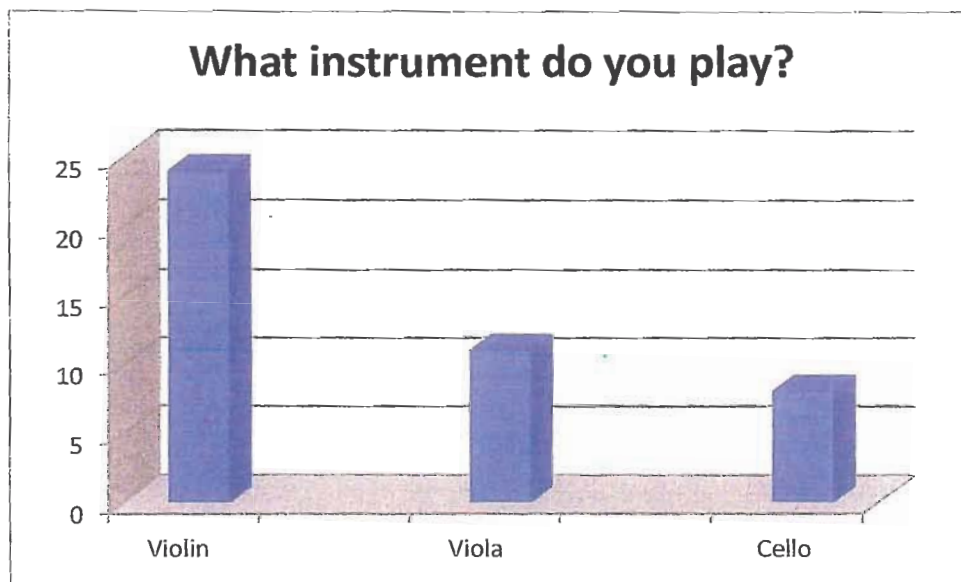
Note: + Indicates at the Rancho Santa Fe Foundation



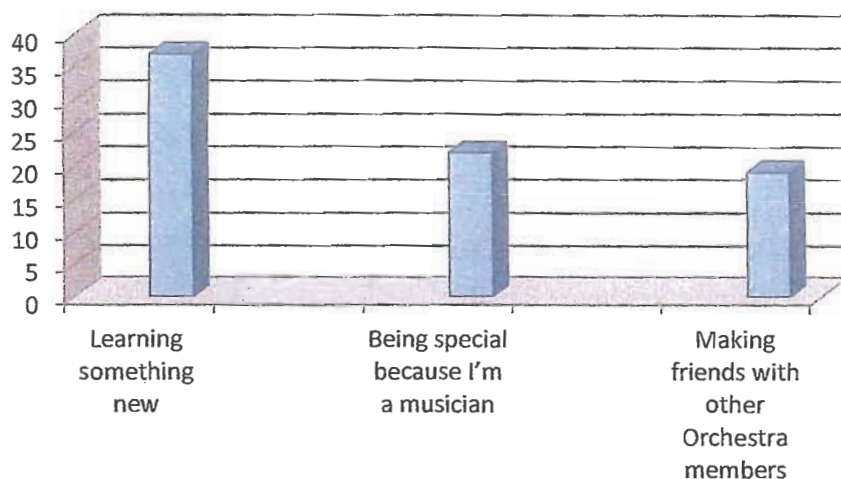
Fortissimo Orchestra Program

2015-2016 Student Survey Results

43 Student Responses

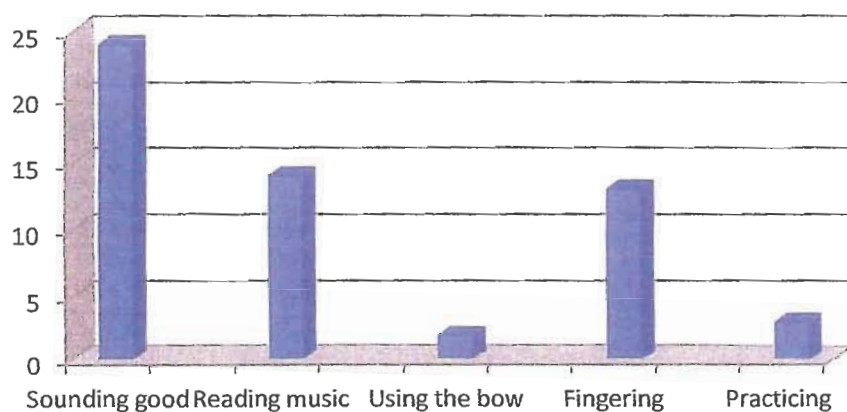


What is the best part about playing in the orchestra?

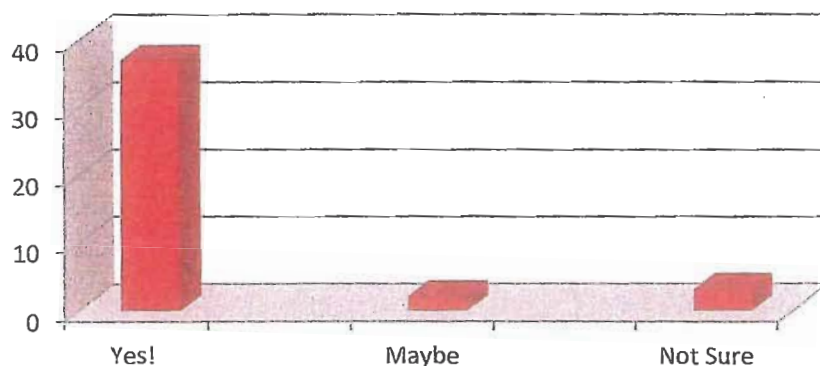


What is the most challenging part of playing in the orchestra?

Check all that apply to you



Would you like to continue playing in the orchestra?



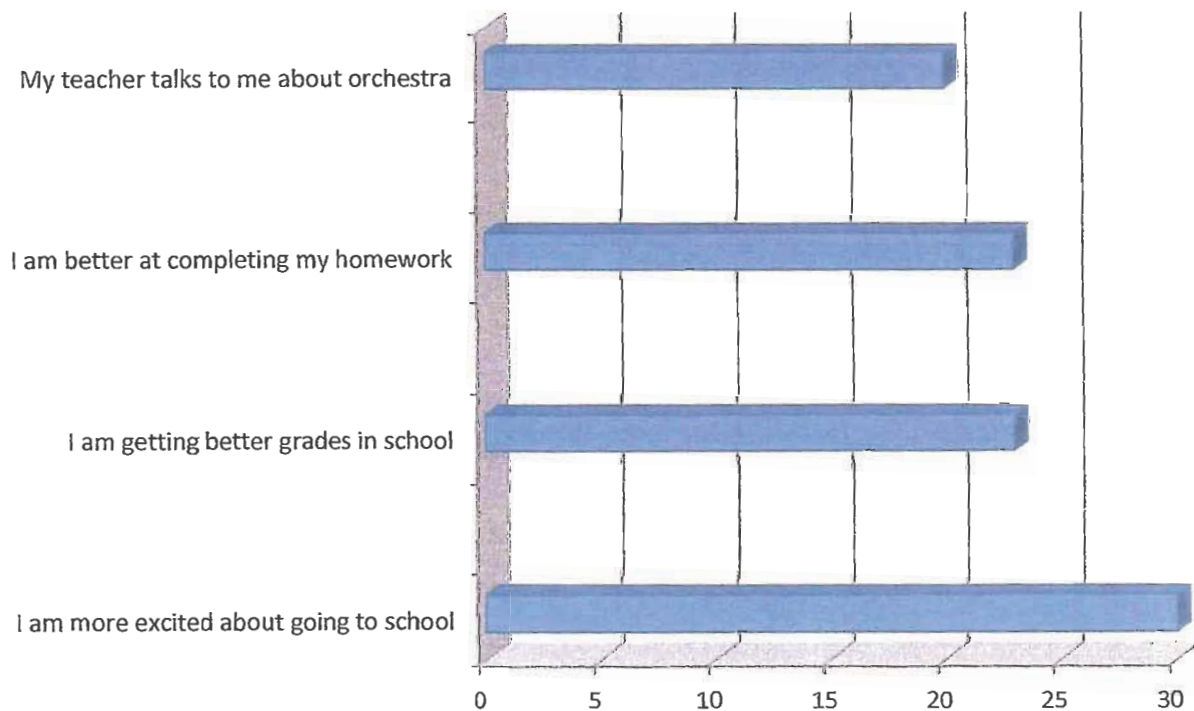
How have you changed since you started playing in the orchestra?

(Check all that apply to you.)



What have you noticed about school since you started playing in the orchestra?

(Check all that apply to you.)



What would you tell another student that was thinking about joining the Fortissimo orchestra?

- I would tell them that they should join.
- I will tell them to join Fortissimo Orchestra it is fun to be in
- You will love it. Miss Anna and Mr Andrew are really nice and really good teachers. You will learn a lot. Try your best and it will be really fun. By the way Miss Anna makes the cupcakes!
- I would tell them that it is a cool activity to be in after school and it be really cool to be in Fortissimo because you can learn.
- You should join Fortissimo because it is a really good program and it is fun and you can go to concert everywhere and you meet new friends and it is going to be the best hobby ever!
- I will tell them to join Fortissimo because they have concert and you guys can get your own instrument and you guys can watch movies with the teachers.
- I think you should join cause it's so much fun and probably you could start your new talent here if you don't have one.
- I would say it is fun to learn new music. You learn how to play a instrument
- That is orchestra is fun and that you can make new friends
- I would say it is a really good advantage for learning and fun
- Ha! Will you want to join the Fortissimo Orchestra? Also Fortissimo is the best and fun
- I like being in Orchestra
- You should join Fortissimo because you will get to learn a instrument and not much people get to learn how to play an instrument
- I think I would tell them to join because it calms you down and you will learn how to read music
- It is a grand opportunity to make your life better. I am getting good grades because I play the violin. Join and see how your life improves.
- If you want to join you can pick to play a cello, violin or viola and they also have really nice teachers.
- I would tell the student you should join it because you could learn things you haven't learned. For example, how to learn to play violin.
- Would you like to join Fortissimo?
- I would tell them it is really fun. The teachers are awesome
- That I was in it a very long time and it was very fun to play music
- It is sooo fun and cool. Join it!
- I will tell people to coming in Fortissimo really makes your be in a better mood in school and help your grades
- You would love to join the Fortissimo Orchestra it makes you want to go to school even if your sad, and the leaders can help you feel better
- That he should because it is an awesome opportunity
- I will tell them that it is the best and Mrs Anna is the best
- Join! It would be good for you
- I would tell them that Fortissimo is fun and we get to learn music
- It is fun. I think you should join it.
- Fortissimo is fun it is excited to learn some thing new
- That is will be fun to play an instrument and a teacher is the best
- I would tell them that they should because its fun and our teachers are nice to us and people there are very nice.

- I would tell them that you inter because you get to play new instruments and you get to go to fun places and learn a lot of stuff and the teachers names Mrs. Anna, Mr Andrew Mrs Ketty
- "You should definitely be in the orchestra"
- I would tell them that it is fun
- I would say "hey. If you like to play a instrument and don't have one you should join Fortissimo and accomplish that goal"
- Go it is a fun place to be
- It would change your life and grade become higher
- I would tell them that they should join because it is fun and you can get to learn new things
- You totally should!
- I would tell them that they will have a lot of fun learning a new instrument
- I would tell other students that are thinking about joining the orchestra that Fortissimo is a fun and gives you a good learning advantage

What would you like to say to the generous people and businesses that have made Fortissimo possible through their donations of money and time?

- I would say thank you.
- Thank you very much for donating money to make it possible to play instrument.
- I will tell them thank you for helping the orchestra
- Thank you so much I have always wanted to playan instrument. It's relly fun! Thank you! [Symbol]
- Thank you for keeping this school to be the first one, for a music program.
- I would tell them that honored you helping us with the Fortissimo program and I think we been working very hard.
- Thank you so much I am the happiest person on earth I will give you everything for giving me my instrument. This is one of my best presents.
- I will say thank you to them because I always wanted to play an cello and they made the program and they bought the instruments for us
- Thank you for your support and donating money to this program, this program wouldn't happen at all without you! Thank you for making a big dream happen!
- I would say Thank You for buying my cello it is fun to play new music I hope you like our concert
- I will say thank you for donations so we can keep on playing and this orchestra makes me happy
- I would say thank you for donating because it really helps the orchestra
- Hi! My name is Jocelyn and I love Fortissimo
- Thank you all
- Thank you for giving us the money to make Fortissimo possible and if it wasn't for you none of the kids who are in Fortissimo would get to play an instrument
- I would say thank you very much because if you didn't donate money I wouldn't be playing an instrument.
- I would like to say "thank you"! Thanks for making this orchestra opportunities and the instruments
- Thank you for donations
- I would tell them thank you very much for my awesome violin
- I am so happy you made this for me and finding more people in life and I go places
- Thank you so much. I love this music
- I like Fortissimo because we get to play music, games and watch music

- Thank you for all the help you did
- I would say that I really thank them for making Fortissimo happen because if there was no Fortissimo I would not have learned to play the viola.
- Thank you so much because I have always wanted to play an instrument and I am not asking you to donate more money. It's not like you get awards but you can.
- Please donate money so we can have more fun and more instruments
- Thank you for donating money for the orchestra for the instruments
- I would say thank you because they have supported us a lot, so thank you!!!
- I would say thank you for donating money so the donors can buy my cello.
- Thank you very much. I really enjoy having you as my music teachers.
- Learning violin is fun and it has a beautiful sound. What instrument do you play?
- Thank you for your money and we love you so much!
- I would say thank you because I like going to Fortissimo because it is really fun
- Thank you
- Thank you for your donations. It helped my orchestra and if you didn't donate there would be no Fortissimo. Thank You
- Thank you for getting our instrument for us
- I would say, "I appreciate your kindness and thank you for making my life more musical"
- Thank you for all your donations and help to make this come true.
- Thank you and thank you for donating. You have changed my life
- I would say thank you for donating money so I can get an instrument. You are the best.
- Thank you very much
- I would say Thank you
- I would say thank you for donating money because it really helped me and other students in learning and in focus

Anything else you would like to say about your experience in Fortissimo?

- Thank YOU!
- I lived to be in Fortissimo Orchestra and I will try to stay in it for a long time.
- Yes, I will like to say something else. I like Fortissimo!
- I just want to say it is the BEST!
- You are the best in my life, for all you have done for me.
- It is awesome
- Fortissimo is my best hobby and when I grow up I will still be playing the cello and it will never be my least best hobby and will join Fortissimo and will visit Fortissimo everyday.

- I would like to say if we are ever going to have more concerts? And if you can show us more music so I can now more music for my music class at school. Thank you please help!
 - I'd like to say that my whole experience of being in Fortissimo is super fun but a little challenging if your advanced like me, I am in Encore the advanced ones here. But if you are new you will get the hang of it.
 - I would like to say it is so fun to play for Fortissimo. I hope that kids who join this time.
 - I think it is really good because it is really fun and helps with learning experiences
 - I really enjoy playing my instrument and I enjoy when we get to play at a concert
 - It was a pleasure to be in Fortissimo
 - It's just amazing. We have learned so many songs!
 - Well, I love to play my instrument in this program and I love the teachers. So, I enjoy being in this program.
-
- It's been great playing
 - It's awesome the teachers are really nice and funny
 - Yes I love the way I named my instrument
 - I like my teachers in Fortissimo they help me
 - I would also say that making kids learned how to play the cello, violin or the viola is better than learning at middle school
 - I had a great time and I hope I could join next year and I hope you have a great summer.
 - It helped me become a better citizen
 - It is the best!
 - Yes, I might be big or too small but I have a heart to music and I will always and everyday
 - In my experience of playing in the orchestra for a year and a half I like to play music like Spring by Vivaldi
 - I have met a lot of people and I will always love playing music
 - Love being in this Fortissimo Orchestra. It is fun learning new things
 - That it is so fun and our class is the best I love it.
 - I would also like to say that it is very fun
 - It is really fun and you really learn new things
 - Well, I'm thankful for all the things that everybody did and the terachers. This has been an amazing opportunity. Thank you
 - I am really thankful for this instrument
 - I would say thank you for teaching me Mrs Anna and Mr Andrew
 - Yes, I played good music and I sound good
 - It was an awesome experience to be here
-
- It is really fun I have the best teachers and now I know how to play two instruments and I learned new things, Thank you
 - Thank you teachers
 - No
 - I think this is a really good program and we should start this type of thing at other schools

I Love being in fortissimo, because
it's exciting. When I play music
on my instrument with my bow, I listen
to the notes it sounds like waves crash
into the soft sand at the beach in the
Summer Breeze.



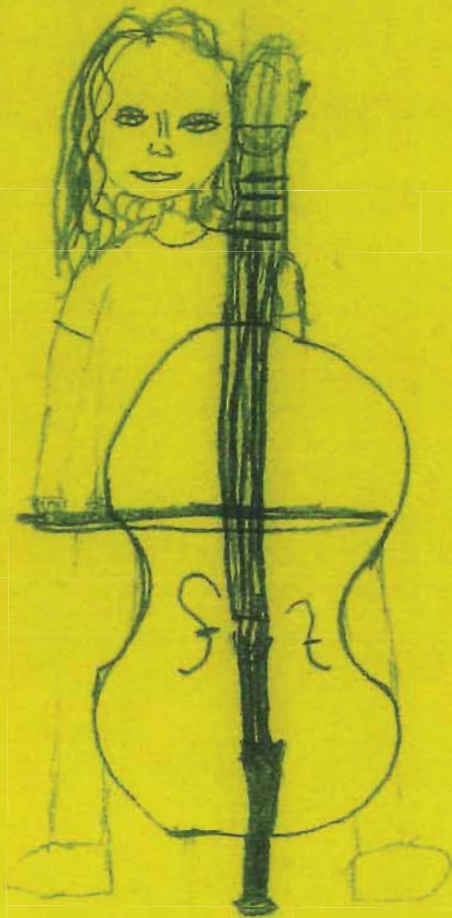
Since I began playing my Violin, I started loveing music a lot! My favorite part is when I practice at home and I get to listen to my self. Also, I like Challenging my self with harder music peices.

From,
Lilly



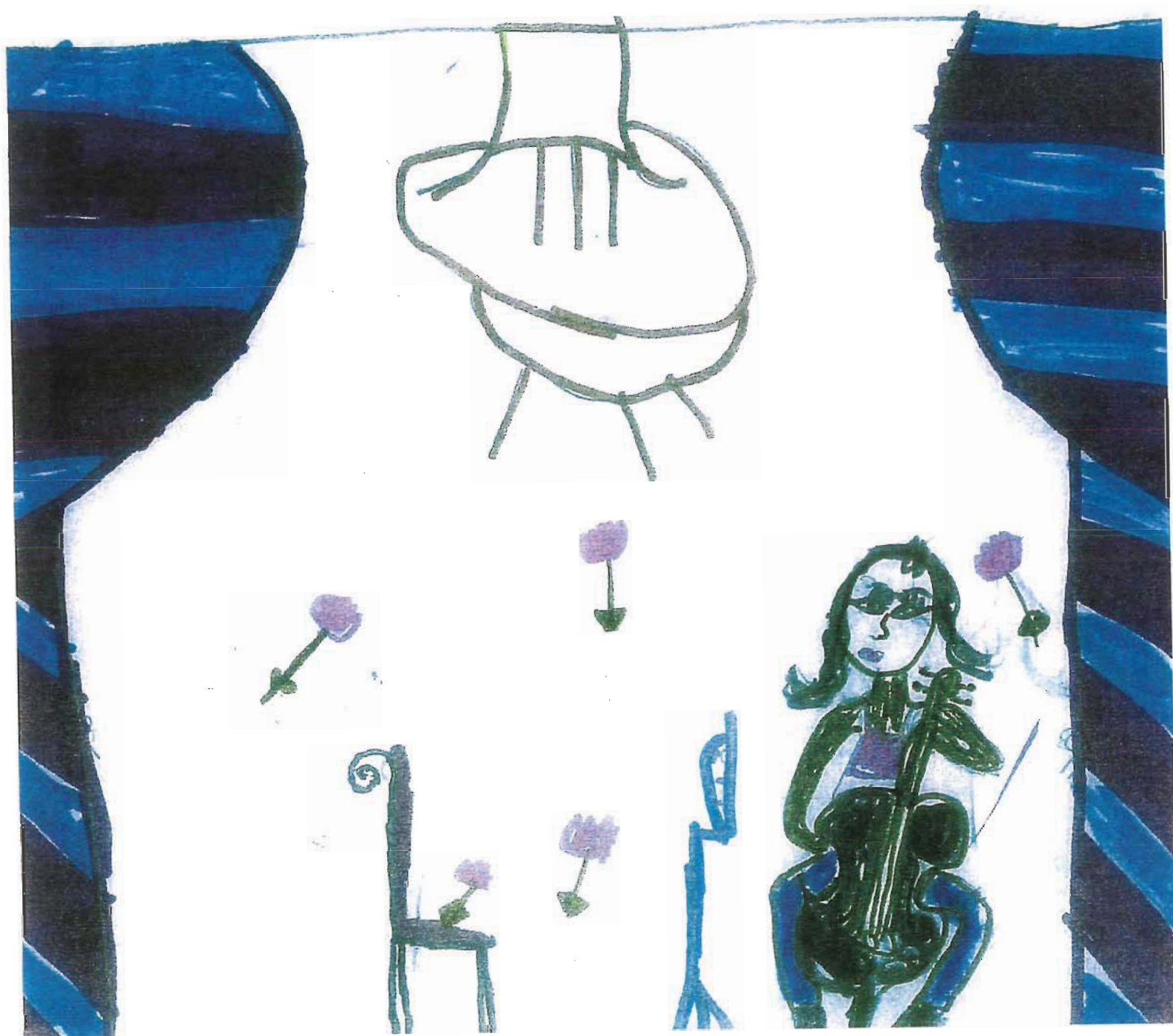
Before I came to Fortissimo
I thought that string instruments were
for old people. But I was just 5. Now I
love classical music. By the end of the
year my goal is to convince my dad
to buy me a cello. But I would love to
learn more before I get one.

From: Jasmine



Since I began playing my cello I am
getting better grades and getting
better at reading.

Suyette





Since I began playing my violin, I have had an opportunity to help me not be as shy as I am by playing in performances.

I was always a very shy girl
I used to be so shy I would
fall asleep but now I love it because
I finally get to play in an orchestra
and I never got this chance to
play at concerts but now I feel Happy!

From, Karla ♥

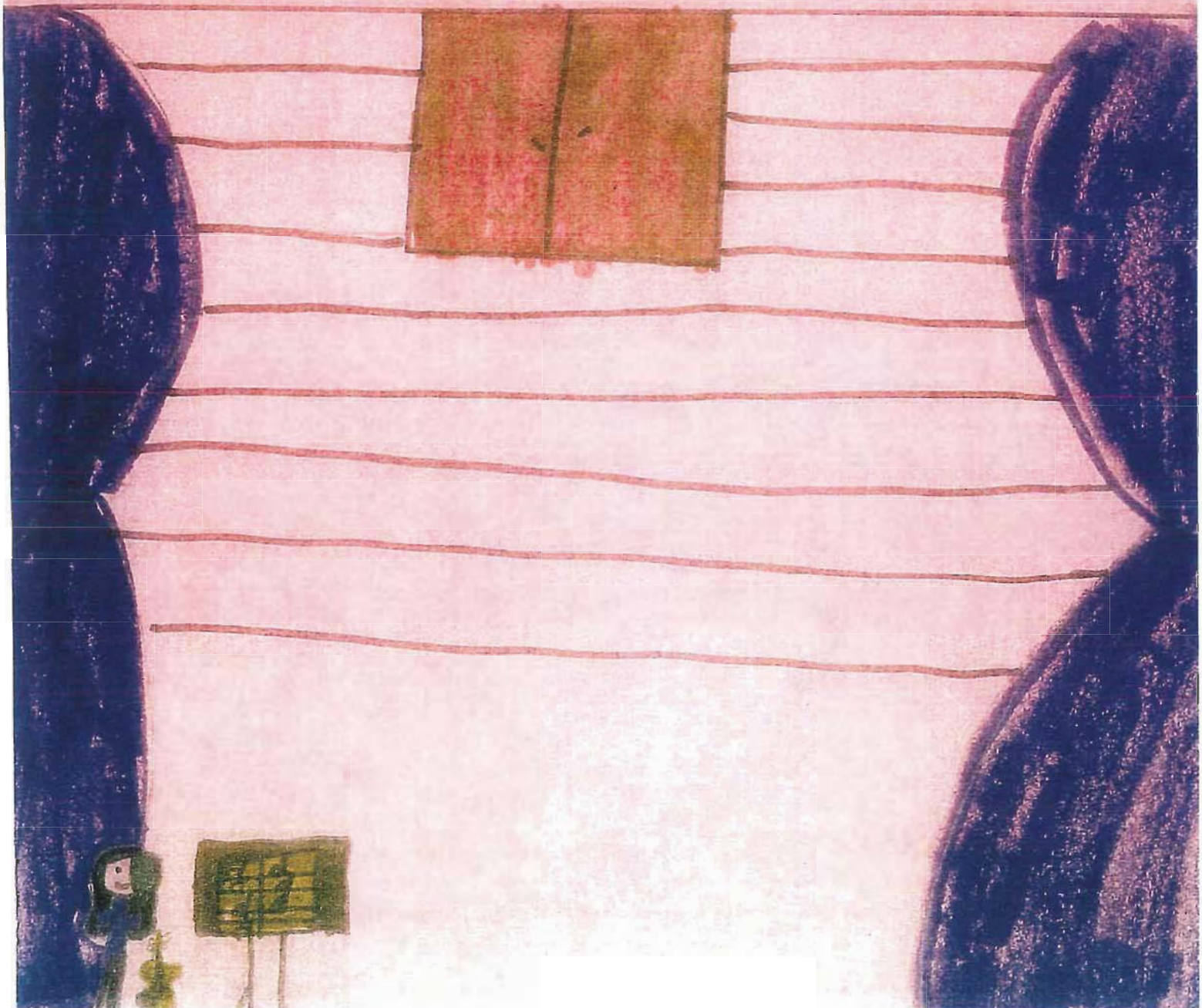


I love being in Fortis because
it teaches you how to read notes and how to
play instrument. It is the best orchestra.



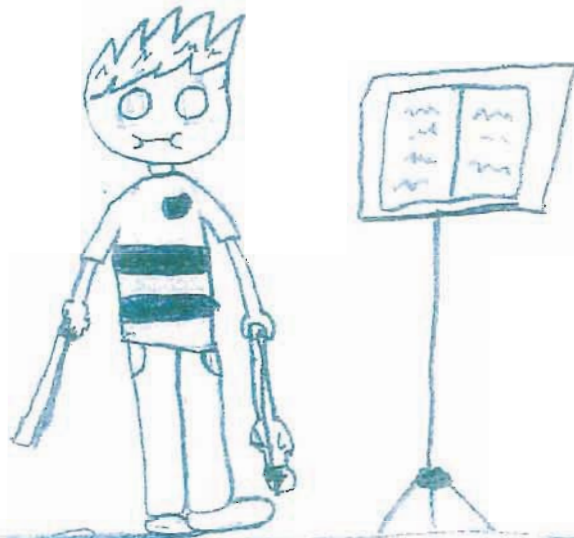
Since I began playing my violin I
got better grades I Love being in Tortisimo
because I got new friend like Lily,
Alissa, Lizbeth and other friend and
when I am almost going on stage I feel
excited.

Love, Doreen

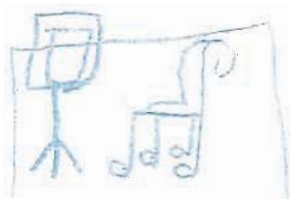
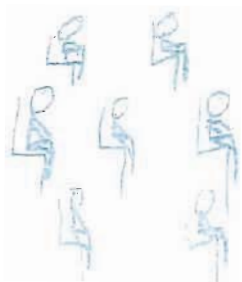


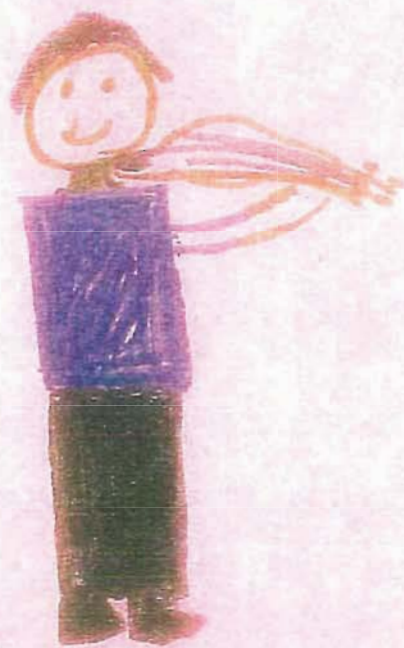
David

Before foticeimo I felt normal
now I felt famous.



Dear, People I am going to tell
you about Forting more well ♪
is the best thing that happen to
me because you can go to place
to famel and have lot of fun
so I am telling you this because
I want to stay in ♪ so can you
can give us money to stay in ♪



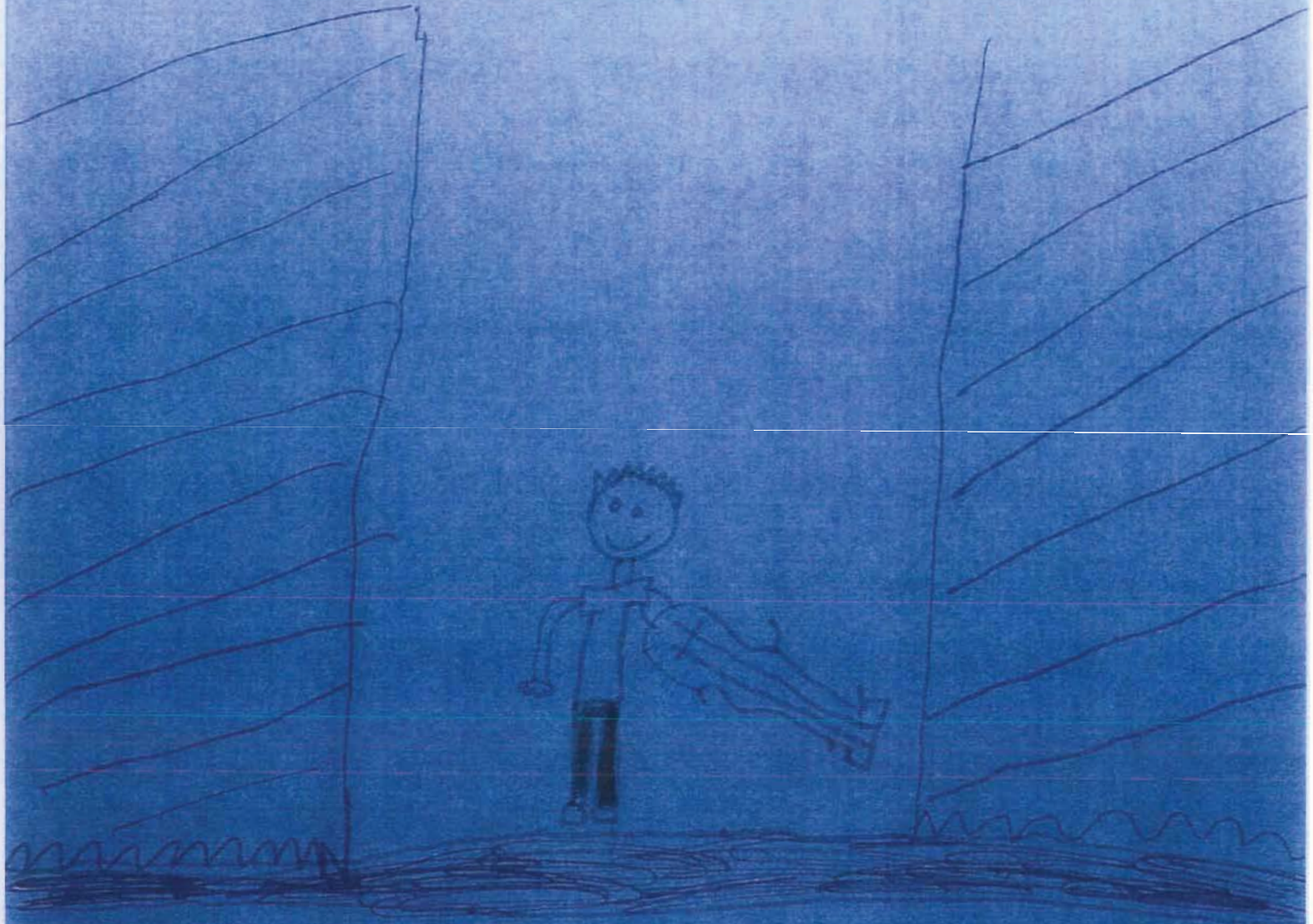


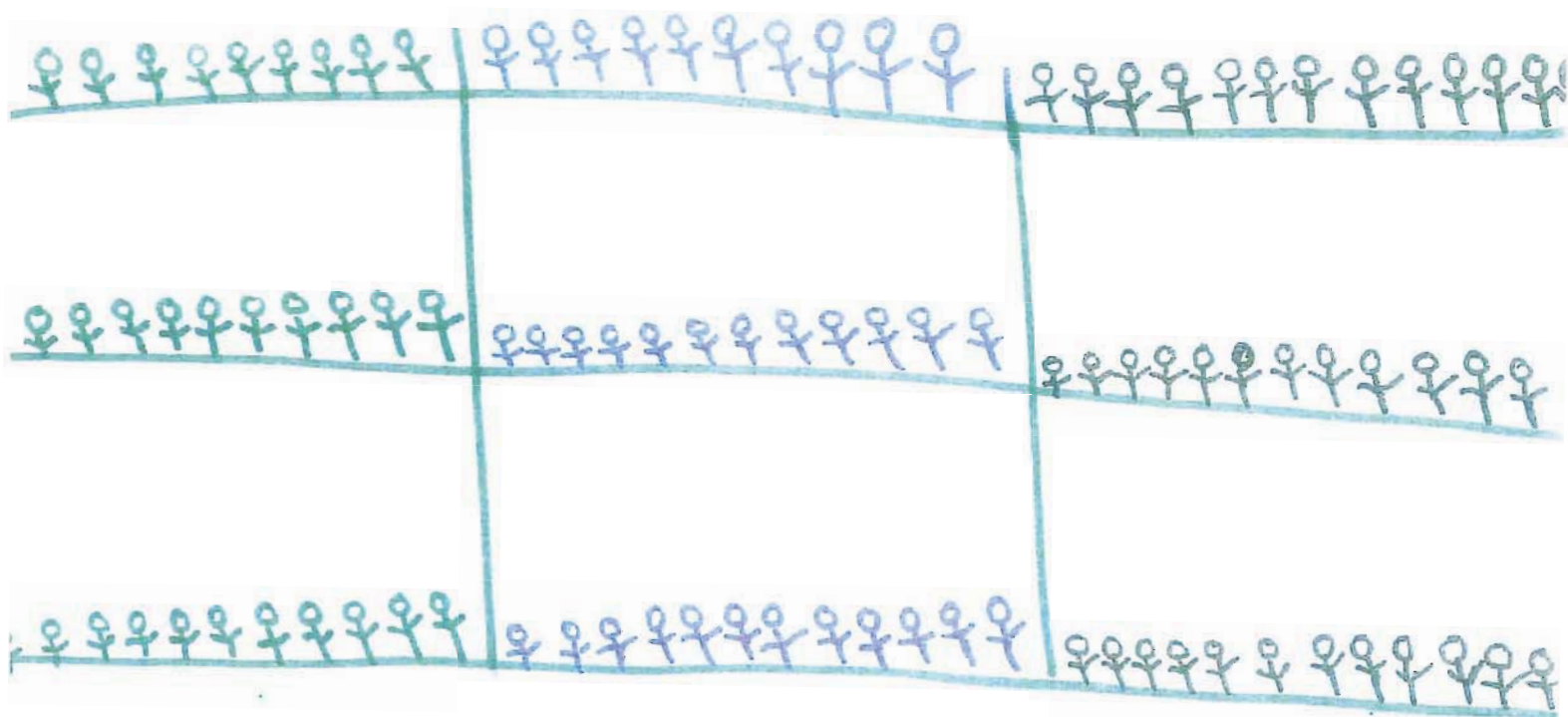
Ever since I joined the program I
felt happy that I had the opportunity
to be good at music and I always wanted
to learn music And I always try my best.

Iortissimo is important to me because i get to
play an instrument.



When we Play in a concert
I feel joyfull and I feel
excited When I Play for Other
People





When we play in a concert, I feel like
I am a professional violin player and
feel happy.

Jonathon



Director Notes:



There is no denying this has been a very strange time in our community. It honestly feels like we have all had to put our life on 'hold'. Not only that, but there is so

much fear of the unknown of this deadly virus. Our hearts go out to those of you whose lives have been turned upside down, emotionally and financially. But.... eternal optimist that I am, I know there is a silver lining here. I have also heard so many stories of courage, selflessness, compassion and love. That it gives me hope and gratitude every day. No question we miss our students, we miss each other, but we want you to know we **HAVE NOT STOPPED MAKING MUSIC!** This issue will focus on our students and on their teachers as we navigate life at a 'distance', for now. Our plan and hope is to be in person at school by January 2021 if not sooner. We will be ready to begin with no time lost as soon as it is safe and we get the 'go ahead'. We will require the continued support of our donors and supporters now more than ever.

~ Carole Beeson

Quarantine Thoughts



Fortissimo Student Amber Rodriguez Barroso practicing at home.

Amber Rodriguez Barroso tells us, "During quarantine, playing music has really helped me. It keeps me busy instead of doing nothing all day. I get this advantage to be able to do something that I like to do. I have learned that playing music truly is a hobby I love, and I want it to be part of my future. I really look forward to be part of a group again; part of an orchestra. Doing it alone is alright, just that it gets lonely. I really miss all my friends and my teacher." Maria Rodríguez, Amber's mom says, "It has been a challenge to be mom and teacher at same time, but I really appreciate all of Mr. Mario and Ms. Beeson's support during the quarantine. I know that these are difficult times, but this has opened doors for us to find new ways of being creative with my children. Music helps us to stay calm."

CLICK THIS BUTTON TO DONATE
TO THE FORTISSIMO PROGRAM
AND MAKE A LASTING IMPACT IN
CHILDREN'S LIVES



DONATE NOW

Meet Charity Yandall



Charity Yandall is joining the Fortissimo professional teaching staff this Fall. Let's learn a little about her. Charity has played in many orchestras and chamber ensembles throughout San Diego County.

She is a graduate of the Ovation ensemble at San Diego Youth Symphony and Conservatory where she spent 7 years playing 3 different instruments: violin, viola, and cello. Charity has also played with the Southwestern college orchestra, Palomar College orchestra, San Marcos Honor Choir, and CMC iSTEM located in Ohio. She was accepted 5 years in a row to participate in the nationwide Yola National Summer festival and is a graduate of the Hausmann Chamber Music Program at SDSU where she also studied for 5 years, participating on multiple instruments. She is currently a teacher for the City Height Music School in San Diego where she teaches private lessons as well as Pre-twinkle violin classes to beginning 4-6 year olds.

We are excited to have Charity join our team!

Shannon Yandall – Fortissimo Instructor shares,

"We have been working hard on some new innovative ways to learn and play together. Our students have proven themselves to be successful independent learners and shown amazing digital citizenship in our new virtual classroom model! I am so proud of all that they have been able to accomplish and excited for the new group collaborations we will be embarking on this year!

More Quarantine Comments from our Students



Odalis Martinez tells us; "I've liked having my instrument at home with me during lockdown mostly because I can play and make the neighbors turn down their loud music, and I can also play music for myself

I've learned that when I'm stuck at home, that I don't like being stuck at home. When the entire coronavirus panic is over, the first thing I want to do is meet with my orchestra friends.



We asked our students of how music has helped you through the stay at home situation. Sarai Chavez told us, "It has helped me stay focused on music and not be bored". I've learned "To not give up during this pandemic". Sarai looks

forward to "Going back to regular music in class. So I can learn along with my classmates and my teachers". Victoria Chavez, Sarai's mother told us, "It is very hard for those of us who work during the pandemic. I feel that distant learning is not the same as in person. But we are all learning together, including the teachers".

Katelin Rudeen – One of our Fortissimo Instructors says, "Starting up Fortissimo again virtually has a lot of unknowns, but it is 100% worth it. It is wonderful to see the kids coming together with their friends and so excited to play music again!

THANK YOU TO ALL OUR SUPPORTERS, INCLUDING:



**Rancho Santa Fe
FOUNDATION**
INSPIRED GIVING – CLOSE TO HOME AND AROUND THE WORLD
Hunter Family Advised Fund



WILLIAM HALL TIPPETT &
RUTH RATHNELL TIPPETT



**MTS
Investments Inc.**



**Pinkas Family
Foundation**

**McGhee Family
Trust**

**Staples / Current
Wisdom Foundation**

**Aaron Eighmey
Memorial**

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: College Preparation Date Submitted: October 2, 2020	Total # of people served: 100 Total # of San Marcos residents served: 100	Amount Requested: \$10,000
Non-Profit Organization Name and Address, Website CSUSM Corporation on behalf of California State University San Marcos 333 S. Twin Oaks Valley Rd San Marcos, Ca		Contact Person – Name, Title & Phone, email Minerva Gonzalez, Director Minervag@csusm.edu (760) 613-9134 Kim Askew, Sponsored Projects Analyst kaskew@csusm.edu (760)750-4705
<p><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u></p> <p>Covid 19 had created additional challenges for low income, first generation families and Latinos are being heavily impacted by the pandemic. Initiatives to bridge the digital divide for students and parents as they prepare for college or their first year of college transition requires additional resources and activities.</p>		
<p><u>Briefly describe the significance of your request to the San Marcos community:</u></p> <p>The Latino population in San Marcos and nationally, are heavily impacted by Covid 19 and has resulted in access to limited resources. Either through loss of jobs, illness or lack of college information. Many families do not have the technology or know how to use the technology to navigate the college application process. High schools are focusing on other more immediate needs and our San Marcos families need additional support.</p> <p>This request is to ensure that our disadvantaged populations are not further impacted or dissuaded from considering college prospects. Targeted efforts to bridge the informational and technology gap will be the focus of this request as described in the narrative.</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 5. Regular Grants Only: <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: June 2021</p> <p>Date by which funds will be expended: October 2020</p> <p><i>Michelle Hinojosa</i></p>
	<p>Signature of President or Authorized Officer</p> <p><u>Michelle Hinojosa, Director, HR and Payroll</u> <u>10/02/2020</u></p> <p>Name, Title Date</p>
	<p>Submit Via Mail, In Person or Via Email to:</p> <p>San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): jcadima@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)

Bi-lingual outreach assistant (20 hrs per week at \$18.00 per hr x's 6 months October-February)

\$8,280

Benefits (required by law)

\$ 330

Educational Supplies (printed materials, gift cards for supplies in virtual setting)

\$1390

_____ . \$ _____

Total budget for this PROJECT: \$10,000

Regular Grant Request Amount:

\$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).**

\$ 10, 000 (Name of source) Pathways to Academic Success and Opportunities



Date: October 2, 2020

To: San Marcos Community Foundation Grant Application committee

From: Minerva Gonzalez, CSUSM Pathways to Academic Success, Director

Re: Narrative-Covid 19 impact and request funding for college outreach activities

This funding request considers the “Social Justice” aspects that will address the discrepancy of socio- economic status of San Marcos populations. Many of our Latino high school seniors are the first in their family to attend college. Therefore, the hurdles to college access and earning a college degree are many. Both parents and students experience a great deal of confusion about the admission and financial aid application process, and many students and parents, lack the academic preparation. Challenges that are exacerbated today by the current Pandemic. Virtual services have resulted in limitations and access to college high school counselors and college information.

We are submitting a request for financial support of activities that will focus on our city’s most vulnerable populations. As of the 2010 census the city of San Marcos reached a 37% Hispanic population, and San Marcos will see a continual Latino population increase in the next census.

During the current pandemic we are keenly aware of the damaging effects that can impact the rate of college going and application rates for high school students and their families. The loss of employment, health issues, technology insufficiency, and language barriers. These unprecedented times require a different approach in reaching our student and parents with the information that is vital to college access. The virtual educational system has created a digital divide that puts at risk the informational access to the college preparation, the college application process and the college transition needs of low income, first generation, students. Our proposal for funding will serve to address these needs, with community partnerships, high school AVID counselors, the migrant Education Program, Encuentros student organizations, and CSUSM. Past outreach efforts by CSUSM are not enough during these challenging times. We must take a different approach, that will result in a more inclusive deliberate method of delivering information in English and Spanish to San Marcos families.

During our summer program with incoming freshman we discovered that high school seniors had a difficult time understanding the application process for admission, and financial aid, and transitioning to college due to limited access to information last spring 2020.

Instead of doing one outreach presentation to a high school we are expanding our services to meet the demand. These will require multiple efforts to provide equity and access to those groups that are faced with limited information.

Our funding request will allow us to hire an “Outreach Assistant” for six months (October-February). Serving 100 students and families. The “Outreach Assistant” will provide individual college preparation information in English and Spanish. The following services will include;

- Ensure that high school juniors and seniors meet the A-G CSU admission requirements by evaluating their high school transcripts. The transcripts will be provided to CSU staff by the student.
- Schedule individual appointments with students to walk them through the admission application process through on-line mentoring and support
- Schedule individual evening and weekend appointments with parents to help them file the Financial Aid Student Application (FAFSA).
- Coordinate presentations in collaboration with AVID, Migrant Education, Student organizations and community groups.
- Bi-weekly and weekly follow up and check ins to verify application submissions to meet required deadlines.
- Provide presentations on the college admission and financial aid process to students and parents

The timeline for this request is based on the Admission and Financial Aid application process for both UC and CSU the admission and financial aid applications open October 1, 2020.

We appreciate your consideration and look forward to your response. If you have any questions you may reach me at (760) 613-9134 or at my email minervag@csusm.edu.

Board of Directors

CSUSM Corporation is governed by an ten member CSUSM Corporation Board of Directors consisting of University administration, community members and faculty, alumni and student representation. All meetings are open to the public.

Board Members

Ms. Sarah Villarreal

AVP Community Engagement and
Special Advisor to the President, CSUSM
Designated Member - President's Designee

Mr. Neal Hoss

Vice President, Finance & Administrative Services, CSUSM
Designated Member

Mr. Jason Schreiber

Dean of Students, CSUSM
Administrative Member

Dr. Charles De Leone

Interim Dean, Graduate Studies and Research, CSUSM
Administrative Member

Dr. Carl Kemnitz

Provost and Vice President for Academic Affairs, CSUSM
Designated Member

Dr. Cynthia Chavez Metoyer

Faculty Director, Community Engagement
Office of Internships, CSUSM
Faculty Member

Dr. Ann Bersi

Community Member

Mr. Christopher D. Thibodeau, CPA

Community Member

Mr. Michael Walsh

Community Member

Mr. Michael Garrett

ASI President, CEO
Student Member



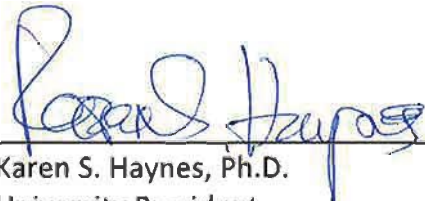
Received
JUN 09 2018
CSUSM CORP

**OPERATING BUDGET RESOLUTION
FISCAL YEAR 2018-2019**

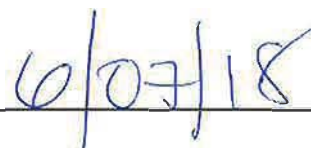
The California State University San Marcos Corporation operates on a fiscal year beginning July 1 and ending June 30, and the Board of Directors approves the operating budget for each fiscal year,

The Board of Directors of the California State University San Marcos Corporation approved the attached FY 18/19 operating budget for the CSUSM Corporation, effective July 1, 2018 and ending June 30, 2019, and

University President, Karen S. Haynes, signifies her approval of said budget and authorizes CSUSM Corporation management to proceed with implementation effective July 1, 2018.



Karen S. Haynes, Ph.D.
University President

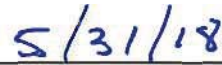


Date

I hereby certify the attached operating budget for 2018-2019 was adopted by the Board of Directors of the California State University San Marcos Corporation at a regular meeting held on May 24, 2018, at San Marcos, California.



Cynthia Chavez Metoyer
Secretary



Date

**FY2018-2019 Budget
CSUSM CORPORATION**

Administration - High-Level Summary	FY18-19 Budget	FY17-18 Budget	Variance
Total Revenues	2,721,057	2,767,636	(46,579)
Total Expenses	2,626,521	2,394,448	(232,073)
Net Income/(Net Loss) Before Post Retirement Expense	94,537	373,188	(278,651)
Post Retirement Expense	81,292	81,292	0
Net Income/(Net Loss) After Post Retirement Expense	13,245	291,896	(278,651)

Administration - Detailed Summary			
Account Category	FY18-19 Budget	FY17-18 Budget	Variance
Revenues			
Space Rental ^(a)	0	31,380	(31,380)
Summer Residents	90,000	105,182	(15,182)
Housing Allocation	498,000	498,000	0
Summer Conferences	90,000	150,710	(60,710)
Revenue from Investments ^(b)	30,000	30,000	0
Commercial Services ^(c)	698,185	668,163	30,022
Overhead Admin Fee	120,000	135,000	(15,000)
OSP Activities	906,400	898,449	7,951
EOV	280,972	243,552	37,420
Other	7,500	7,200	300
Total Revenues	2,721,057	2,767,636	(46,579)
Operating Expenses			
Regular Salaries and Wages	964,934	909,405	(55,529)
Benefits Group	378,906	274,222	(104,684)
Communications	9,979	9,688	(291)
Utilities Group	16,979	31,218	14,239
Travel	34,115	27,920	(6,195)
Capital Outlay Projects	150,000	0	(150,000)
State Pro Rata Charges Group	5,927	5,581	(346)
Contractual Services Group	168,400	170,570	2,170
Information Technology Costs	16,834	21,754	4,920
Services from Other Funds/Agencies Group	32,657	32,657	0
Misc. Operating Expenses ^(d)	572,790	841,433	268,643
Campus Support ^(e)	275,000	70,000	(205,000)
Total Operating Expenses	2,626,521	2,394,448	(232,073)
Net Income/(Net Loss) Before Post Retirement Expenses	94,537	373,188	(278,651)
Benefits Post Retirement Health	81,292	81,292	0
Net Income/(Net Loss) After Post Retirement Expenses	13,245	291,896	(278,651)

FY2018-2019 Budget
CSUSM CORPORATION - STUDENT HOUSING

Student Housing - Detailed Summary based on 95% occupancy			
Account Category	FY18-19 Budget	FY17-18 Budget	Variance
Revenues			
Rental income ^(a)	5,708,448	5,426,149	282,299
Operating Income	265,566	291,360	(25,794)
Total Revenues	5,974,014	5,717,509	256,505
Expenses			
Operating Expenses ^(a)	1,185,446	1,126,559	(58,887)
Salaries & Benefits ^(b)	658,660	583,093	(75,567)
Programs & Marketing (leasing) ^(c)	91,200	49,500	(41,700)
Management Fee	179,220	171,525	(7,695)
Allocation to CSUSM Corporation	498,000	498,000	0
Allocation to Residential Education Operations	320,400	335,000	14,600
Allocation to Residential Education Bed Spaces ^(d)	197,928	0	(197,928)
Loan Interest	851,750	891,750	40,000
Loan Principal	820,000	780,000	(40,000)
Campus Contribution	500,000	500,000	0
Total Expenses Before Amortization & Depreciation	5,302,604	4,935,427	(367,178)
Net Income/(Net Loss) Before Amortization & Depreciation	671,410	782,082	(110,672)

Student Housing Reserves	FY18-19 Budget	FY17-18 Budget	Variance
Beginning Balance (from previous Fiscal Year)	2,422,294	2,510,212	(87,918)
Add: Net Income Before Amortization & Depreciation	671,410	782,082	(110,672)
Less: Capital Expenditures	652,208	870,000	217,792
Ending Balance	2,441,496	2,422,294	19,202

Summary of FY18-19 Capital Expenditures	Amount
Building Elevator Upgrades	82,725
Building C Renovations	499,740
Fire Panel Replacement	13,000
Triple Space Conversion in UVA	56,742
Total	652,208

NOTES:

- (a) Revenue reduction due to vacating Carmel Street location
- (b) Projection of investment earnings for Corp Central only
- (c) Commercial Partner Revenue - overall increase. Variance primarily due to increase in Sodexo commission (Agreement Amendment), Childcare Revenue Share increase, other Partners incremental increase, and decrease in Admin Fees projected
- (d) Decrease in Rent expense due to move onto Campus at no cost for space until move to EL Bldg. (\$155k), Business Financial Services agreement with Campus decrease (129k)
- (e) Campus Contribution FY 18-19
- (f) Rental Income will increase based on the addition of 32 beds in UVA when double rooms were turned into triples. FY 17-18 was based on 90% occupancy whereas FY 18-19 is based on 95% occupancy.
- (g) Overall 5% increase in operating expenses due to increase in bed spaces and tenants. Other factors include increase in IITS, UPD, Utilities, and Insurance costs.
- (h) COCM is taking on the hiring of Desk Assistants. This was previously a job under the RA job description.
- (i) Increase in marketing materials and events due to unpredictable housing occupancy numbers. Increase also includes growth of summer conference program and affiliated expenses.
- (j) University Village will be adding an additional \$197,928 to their contribution to Residential Education to cover the cost of the RD, RA, and RPM Bed spaces. This is an expense to Residential Education. This is the first year for showing the RD, RA, and RPM Bed spaces this way.

Detail for Page 1 (Project 81500 - Administration)

Account Category	FY18-19 Budget	FY17-18 Budget	Variance
Revenue			
504 - Sales and Services of Auxiliary Enterprises	-	31,380	(31,380)
504002 - Housing Revenue Other	-	-	-
504009 - Space Rental	-	31,380	(31,380)
505 - Reimbursements	90,000	105,182	(15,182)
505201 - Reimbursements External	90,000	105,182	(15,182)
506 - Transfers In From Other Funds/Appropriations	548,000	541,099	6,901
570531 - Tfr In - Housing Operations	498,000	498,000	-
570800 - Tfr In - 531 - Summer Conf-Aux	50,000	43,099	6,901
508 - Revenue from Investments	30,000	30,000	-
508812 - Rev from Other Invest Income	30,000	30,000	-
508813 - Rev from Reinvested Dividends	-	-	-
508814 - Rev from Realized/Unrealized	-	-	-
508815 - Rev from Investment Dividends	-	-	-
580 - Other Financial Sources	2,053,057	2,059,976	(6,918)
580005 - Project Revenue	83,000	77,003	5,997
580090 - Rev Other Miscellaneous	7,500	7,200	300
580861 - Rev Other Catering Fees	20,000	30,000	(10,000)
580865 - RevOtherCommissionsCoffeeCart	35,000	35,000	-
580866 - Rev Other Commissions ATM	14,160	14,160	-
580869 - Rev Other Commissions Follet	333,000	333,000	-
580870 - Rev Other Pepsi	65,000	61,500	3,500
580871 - Rev Other First Class Vending	18,025	17,500	525
580873 - Rev Other Overhead Admin Fee	120,000	135,000	(15,000)
580874 - Rev Other Indirect Cost	906,400	898,449	7,951
580879 - Rev Other EDV Aux	280,972	243,552	37,420
580885 - Rev Other Summer Conferences	40,000	107,612	(67,612)
580886 - Rev Other Commissions Sodexo	130,000	100,000	30,000
Total Revenue	2,721,057	2,767,636	(46,579)

Account Category	FY18-19 Budget	FY17-18 Budget	Variance
Operating Expenses			
601 - Regular Salaries and Wages	964,934	909,405	(55,529)
601824 - Salaries Auxiliary Staff	818,984	892,995	74,011
601826 - Salaries Aux Temp w/o leave	11,030	-	(11,030)
601827 - Salaries Aux Students	25,738	16,410	(9,328)
601828 - Sal Aux Reim to CSUSM	109,182	-	(109,182)
603 - Benefits Group	460,198	355,514	(104,684)
603805 - Ben Aux Reim to CSUSM	56,510	-	(56,510)
603806 - Benefits Alloc Auxiliary Staff	312,493	273,345	(39,148)
603808 - Benefits Alloc Temp w/o Leave	8,874	-	(8,874)
603809 - BenefitsAlloc Students	1,030	877	(153)
603813 - Benefits Post Retire Health	81,292	81,292	-
604 - Communications	9,979	9,688	(291)
604001 - Telephone Usage	9,979	9,688	(291)
605 - Utilities Group	16,979	31,218	14,239
605802 - Utilities Auxiliary	16,979	31,218	14,239
606 - Travel	34,115	27,920	(6,195)
606001 - Travel-In State	29,015	27,920	(1,095)
606002 - Travel-Out of State	5,100	-	(5,100)
607 - Capital Outlay Projects	150,000	-	(150,000)
607033 - Cap Outlay Construction Other	150,000	-	(150,000)
612 - State Pro Rata Charges Group	5,927	5,581	(346)
612001 - State Pro Rata Charges	5,927	5,581	(346)
613 - Contractual Services Group	168,400	170,570	2,170
613001 - Contractual Services	16,900	15,000	(1,900)

613806 - Contractual Services-Temp Agen	-	55,000	55,000
613807 - Cont Serv Legal	63,000	10,320	(52,680)
613810 - Cont Serv Auditing	83,000	83,250	250
613823 - Cont Serv IndependentContractr	5,500	7,000	1,500
616 - Information Technology Costs	16,834	21,754	4,920
616002 - Info Tech Hrdwre \$2500 - \$4999	12,000	17,061	5,061
616005 - Info Tech Misc < \$2500	4,834	4,693	(141)
617 - Services from Other Funds/Agencies Group	32,657	32,657	-
617001 - Serv from Other Funds/Agencies	32,657	32,657	-
660 - Misc. Operating Expenses	572,790	841,433	268,643
660001 - Postage & Freight	1,785	1,700	(85)
660002 - Printing	300	250	(50)
660003 - SupSrv Other	14,935	14,500	(435)
660008 - Interest Charges	4,895	5,453	558
660010 - Insurance Premiums	41,500	37,802	(3,698)
660025 - Overhead Chancellor's Office	12,181	11,887	(294)
660041 - Space Rental	40,057	41,056	999
660090 - Other Expense	-	-	-
660805 - SupSrv Member/Subscrip/Sponsor	5,992	4,500	(2,492)
660818 - RecruitmentEmployee(NonFacult)	2,265	7,800	5,535
660820 - Other Hospitality	1,030	1,000	(30)
660835 - Other Rental/Lease Equipment	8,000	9,382	1,382
660848 - Other Taxes & Licenses	-	443	443
660851 - Other Bank Charges	9,270	9,000	(270)
660858 - Other Professional Development	1,000	2,137	1,137
660859 - Other Events	3,500	6,500	3,000
660869 - Postage & Freight - Fed Ex	-	100	100
660920 - SupSrv Facilities Services	1,500	1,500	-
660923 - SupSrv Business Service Fees	311,565	441,201	129,636
660924 - Other Aux Board Related	-	1,000	1,000
660930 - SupSrv Payroll Fees	67,620	50,000	(17,620)
660942 - Other Maint & Lease	-	-	-
660947 - Other Vendor Parking	-	100	100
660948 - SupSrv - Supplies Aux	9,396	9,122	(274)
660949 - SupServ - Services Aux	-	-	-
660956 - Commercial Ops Expenses	35,000	30,000	(5,000)
660960 - Space Rental-Aux Admin	-	155,000	155,000
680 - Operating Transfers Out	275,000	70,000	(205,000)
670801 - Transfer Out	275,000	70,000	(205,000)
Total Expenses	2,707,813	2,475,740	(232,073)
Net Income/(Net Loss)	13,245	291,896	(278,652)

Internal Revenue Service
Director, Exempt Organizations
Rulings and Agreements

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

Date:

OCT 20 2006

California State University
San Marcos Foundation
c/o Marti A Gray
435 E Carmel St
San Marcos, CA 92078-4362

Person to Contact:

Sirijun Mayi ID# 31-07372
Contact Telephone Numbers:
877-829-5500 Phone Toll-Free
Federal Identification Number:
33-0397688

Dear Sir:

This modifies our letter dated April 1, 1991. In that letter we determined that your organization is exempt under section 501(a) of the Internal Revenue Code, as an organization described in section 501(c)(3). We determined that you were not a private foundation within the meaning of section 509(a) of the Code because you were an organization described in section 509(a)(3) of the Code.

In your letter dated October 9, 2006, you requested classification as an organization described in sections 509(a)(1) and 170(b)(1)(A)(iv) of the Code. Based on the information you provided, we have determined that you meet the requirements for the requested foundation classification. Accordingly, we have granted your request and modified your foundation status to reflect an organization described in sections 509(a)(1) and 170(b)(1)(A)(iv).

You continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Because this letter could help resolve any questions about your exempt status and/or foundation status, you should keep it with your permanent records.

If you have general questions about exempt organizations, please call our toll free number shown in the heading.

Sincerely,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Internal Revenue Service

Date: December 14, 2005

CALIFORNIA STATE UNIVERSITY SAN
MARCOS FOUNDATION
% RICHARD R RUSH
435 E CARMEL ST
SAN MARCOS CA 92078-4362 351

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

Person to Contact:

John C. Crawford 31-08343
Customer Service Representative

Toll Free Telephone Number:
877-829-5500

Federal Identification Number:
33-0397688

Dear Sir or Madam:

This is in response to your request of December 14, 2005, regarding your organization's tax-exempt status.

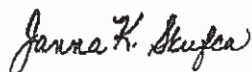
In March 1991 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under section 509(a)(3) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

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

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

RECEIVED
DEC 19 2005
CSU San Marcos
Foundation

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P O BOX 36001 STOP SF-4-4-46
SAN FRANCISCO, CA 94102

DEPARTMENT OF THE TREASURY

Date: APR. 1, 1991

CALIFORNIA STATE UNIVERSITY SAN
MARCOS FOUNDATION
C/O SUZANNE GREEN DIR OF FIN SERV
820 WEST LOS VALLECITOS BLVD
SAN MARCOS, CA 92069

Employer Identification Number:
33-0397688

Case Number:
951009518

Contact Person:
JOHN PAFKA

Contact Telephone Number:
(415) 556-0251

RECEIVED

APR 01 1991

Accounting Period Ending:

June 30

Form 990 Required:

Yes

Addendum Applies:

No

CSU, SAN MARCOS
FINANCIAL SERVICES

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(3) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given

CALIFORNIA STATE UNIVERSITY SAN

notice that you would no longer be classified as a section 509(a)(3) organization.

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 Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

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

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are

CALIFORNIA STATE UNIVERSITY SAN

expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Michael J. Quinn". The signature is fluid and cursive, with the first name "Michael" being more prominent.

Michael J. Quinn
District Director

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

2018

Open 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 CALIFORNIA STATE UNIVERSITY SAN MARCOS CORPORATION Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 333 S. TWIN OAK VALLEY RD. City or town, state or province, country, and ZIP or foreign postal code SAN MARCOS, CA 92096 F Name and address of principal officer: BELLA NEWBERG SAME AS C ABOVE	D Employer identification number 33-0397688 E Telephone number 760-750-4700 G Gross receipts \$ 25,061,233. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
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.CSUSM.EDU/CORP 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: TO PROVIDE FINANCIAL AND PROGRAM ADMINISTRATIVE SUPPORT TO CALIFORNIA STATE UNIVERSITY SAN MARCOS. 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 10 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 3 5 Total number of individuals employed in calendar year 2018 (Part V, line 2a) 5 797 6 Total number of volunteers (estimate if necessary) 6 38 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 13,055,233. Current Year 15,655,423. 9 Program service revenue (Part VIII, line 2g) 8,950,714. 9,233,222. 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 33,003. 169,338. 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) -108,380. 3,250. 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 21,930,570. 25,061,233.	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 2,729,729. 3,553,002. 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) 9,777,240. 10,718,847. 16a Professional fundraising fees (Part IX, column (A), line 11e) 0. 0. b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 7,377,310. 9,439,343. 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 19,884,279. 23,711,192. 19 Revenue less expenses. Subtract line 18 from line 12 2,046,291. 1,350,041.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) Beginning of Current Year 65,022,015. End of Year 122,627,234. 21 Total liabilities (Part X, line 26) 51,756,016. 107,758,994. 22 Net assets or fund balances. Subtract line 21 from line 20 13,265,999. 14,868,240.	

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 BELLA NEWBERG, EXECUTIVE DIRECTOR Type or print name and title	Date _____
Paid Preparer Use Only	Print/Type preparer's name Preparer's signature Date 01/30/20 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 Phone no. (619) 810-4940 SAN DIEGO, CA 92108	

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

CALIFORNIA STATE UNIVERSITY SAN MARCOS
CORPORATION

Form 990 (2018)

33-0397688 Page 2

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☒ **X**

1 Briefly describe the organization's mission:

THE CALIFORNIA STATE UNIVERSITY SAN MARCOS, CORPORATION IS A
NON-PROFIT TAX EXEMPT ORGANIZATION ESTABLISHED TO PROVIDE
ADMINISTRATIVE AND OTHER BUSINESS SERVICES TO CALIFORNIA STATE
UNIVERSITY SAN MARCOS.

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 \$ 14,172,633. including grants of \$ 2,719,608.) (Revenue \$)
ADMINISTRATION OF RESEARCH AND TRAINING GRANTS AWARDED TO THE CAMPUS
FACULTY FROM VARIOUS FEDERAL, STATE, AND OTHER GOVERNMENTAL AGENCIES
AND PRIVATE FOUNDATIONS. FEDERAL GRANT REVENUES TOTALED \$13.6 MILLION
WHILE STATE AND LOCAL GOVERNMENT AGENCY GRANT REVENUES TOTALED APPROX
\$1.6 MILLION. GRANTS AND AWARDS FROM PRIVATE FOUNDATIONS AND OTHER
NON-GOVERNMENTAL ENTITIES TOTALED \$465,000.

4b (Code:) (Expenses \$ 4,681,205. including grants of \$ 500,000.) (Revenue \$ 6,219,417.)
DEVELOPMENT AND MANAGEMENT OF THE ON-CAMPUS AND AFFILIATED OFF-CAMPUS
STUDENT HOUSING PROGRAM WHICH PROVIDES HOUSING AND STUDENT-LIFE
ACTIVITIES FOR APPROXIMATELY 1547 STUDENTS.

4c (Code:) (Expenses \$ 2,455,213. including grants of \$ 133,394.) (Revenue \$ 2,404,917.)
PROVIDE FINANCIAL AND ADMINISTRATIVE SUPPORT SERVICES TO VARIOUS CAMPUS
PROGRAMS AND ACTIVITIES. OTHER CAMPUS PROGRAMS FOR WHICH SERVICES WERE
PROVIDED INCLUDE FACULTY RESEARCH DEVELOPMENT AND VARIOUS COMMUNITY
OUTREACH PROGRAMS.

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

(Expenses \$ 200,000. including grants of \$ 200,000.) (Revenue \$ 608,888.)

4e Total program service expenses **21,509,051.**

Form **990** (2018)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
California State University San Marcos Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of California State University San Marcos Corporation, (a nonprofit organization), 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.

Auditors' 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 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 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 California State University San Marcos Corporation 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.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Emphasis-of-Matter Regarding a Change In Accounting Principle

As discussed in Note 1 to the financial statements, the California State University San Marcos Corporation adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audits were 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. The supplementary information included on pages 23 - 31 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 September 26, 2019, on our consideration of the California State University San Marcos Corporation'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 California State University San Marcos Corporation's internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 26, 2019

CALIFORNIA STATE UNIVERSITY SAN MARCOS CORPORATION**Statements of Financial Position**

June 30, 2019 and 2018

ASSETS	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash and cash equivalents	\$ 3,019,933	\$ 7,243,788
Accounts receivable	3,682,262	2,634,418
Other receivables	608,408	180,501
Due from related parties	9,785,107	3,682,476
Prepaid expenses	809,852	8,217
Current portion of investments	<u>12,631,201</u>	<u>6,243,621</u>
Total Current Assets	30,536,763	19,993,021
Property and equipment, net of accumulated depreciation	89,339,587	42,819,152
Investments, less current portion	2,694,303	2,153,261
Other assets	<u>56,581</u>	<u>56,581</u>
Total Assets	<u>\$ 122,627,234</u>	<u>\$ 65,022,015</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 8,450,196	\$ 4,654,249
Due to related parties	1,816,680	571,943
Current portion of deferred revenue	1,482,341	499,959
Accrued payroll and benefits	867,372	840,654
Accrued interest	117,163	121,754
Current portion of bond payable	999,628	958,576
Current portion of accrued postretirement benefit costs	21,592	18,312
Current portion of note payable	<u>877,692</u>	<u>20,306</u>
Total Current Liabilities	14,632,664	7,685,753
Bond payable, net of current portion	16,968,257	17,991,447
Deferred revenue, net of current portion	12,039,642	9,487,596
Accrued postretirement benefit costs, net of current portion	1,516,359	1,513,235
Note payable, net of current portion	<u>62,602,072</u>	<u>15,077,985</u>
Total Liabilities	107,758,994	51,756,016
Net Assets Without Donor Restrictions	<u>14,868,240</u>	<u>13,265,999</u>
Total Liabilities and Net Assets	<u>\$ 122,627,234</u>	<u>\$ 65,022,015</u>

CALIFORNIA STATE UNIVERSITY SAN MARCOS CORPORATION**Statements of Activities**

Years Ended June 30, 2019 and 2018

	2019	2018
Revenue, Gains, and Other Support Without Donor Restriction:		
Federal grants and contracts	\$ 13,601,326	\$ 11,638,466
Housing and rental income	5,596,361	5,458,907
Campus programs	2,404,917	2,436,997
Other sponsored programs	2,054,097	1,416,767
Ground lease income	803,349	790,698
Commissions	608,889	643,035
Child care center in-kind rental income	533,316	524,917
Housing, other fees	623,056	418,084
Net realized and unrealized gain on investments	252,200	38,003
Interest and dividend income	169,338	26,694
Rental income	3,250	31,380
Total Revenue, Gains and Other Support Without Donor Restrictions	26,650,099	23,423,948
Expenses:		
Program Services:		
Sponsored programs	14,172,633	11,263,095
Student housing	5,201,589	4,965,193
Campus programs	2,455,213	1,821,997
Total Program Services	21,829,435	18,050,285
Supporting Services:		
Management and general	3,218,423	3,289,369
Total Expenses	25,047,858	21,339,654
Transfer from UCorp (Note 1)	-	2,693,597
Increase in Net Assets	1,602,241	4,777,891
Net Assets Without Donor Restrictions, beginning	13,265,999	8,488,108
Net Assets Without Donor Restrictions, ending	\$ 14,868,240	\$ 13,265,999



SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page

(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: Information Resource Center Date Submitted: 10/5/2020	Total # of people served: 1,000 (annually) Total # of San Marcos residents served: 250	Amount Requested: \$5,000
Non-Profit Organization Name and Address, Website The Foundation for Senior Wellbeing PO Box 1896, San Marcos CA 92079 www.fswb.org		Contact Person – Name, Title & Phone, email Sarah Benson Executive Director 760-809-7958 sarah@thefoundationforseniorwellbeing.org
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Information Resource Center Program Description Since 2016, the Foundation for Senior Wellbeing's Senior Information Resource Center (IRC) has been dedicated to improving seniors' quality of life, through free counseling and support in the areas of: housing, transportation, food insecurity, medical issues, caregiving, emergency preparedness and more. This center is led by a Program Coordinator, who provides compassionate and empathetic case management to "senior orphans" (older adults who do not have a network of support). Since the coronavirus stay-at-home orders, we continue to serve clients virtually through the Information Resource Center hotline, but need additional funding to support operating expenses and implement expanded outreach and community awareness efforts.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The Foundation for Senior Wellbeing is on the front line of senior services in the North County community. We've been operating a Senior Information Resource Center in San Marcos since 2016 and during COVID-19, we continue to serve hundreds of seniors through virtual programs. We operate much like a senior center and continue to hear that seniors are facing a complex array of issues and lack of resources in the areas of housing, transportation, home repair, food & nutrition needs, emergency preparedness, and medical or mental health concerns, legal issues and more. Because of COVID-19, Many of our clients are isolated, lonely and in desperate need of help. The Foundation for Senior Wellbeing exists to connect with and support seniors, their families and caregivers, as they navigate through these challenging times.</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 unit3. Federal & State Tax ID numbers4. Board of Directors listing with affiliations <p>5. Regular Grants Only:</p> <ol style="list-style-type: none">a. 1-2 page narrativeb. First 2 pages of Federal 990c. Most recent year-end Statement or Audit including any management letters associated with Audit.d. Signature of President or Authorized Officer on Applicatione. Optional: letters of support		<p>Expected date project will begin/end: 1/1/2021</p> <p>Date by which funds will be expended: 4/1/2021</p> <p>Signature of President or Authorized Officer</p> <p>_____ (see signed version) _____</p> <p>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): jcadima@san-marcos.net</p>



SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page

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

Project Name: Information Resource Center Date Submitted: 10/5/2020	Total # of people served: 1,000 (annually) Total # of San Marcos residents served: 250	Amount Requested: \$5,000
Non-Profit Organization Name and Address, Website The Foundation for Senior Wellbeing PO Box 1896, San Marcos CA 92079 www.fswb.org	Contact Person – Name, Title & Phone, email Sarah Benson Executive Director 760-809-7958 sarah@thefoundationforseniorwellbeing.org	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Information Resource Center Program Description Since 2016, the Foundation for Senior Wellbeing's Senior Information Resource Center (IRC) has been dedicated to improving seniors' quality of life, through free counseling and support in the areas of: housing, transportation, food insecurity, medical issues, caregiving, emergency preparedness and more. This center is led by a Program Coordinator, who provides compassionate and empathetic case management to "senior orphans" (older adults who do not have a network of support). Since the coronavirus stay-at-home orders, we continue to serve clients virtually through the Information Resource Center hotline, but need additional funding to support operating expenses and implement expanded outreach and community awareness efforts.</p> <p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The Foundation for Senior Wellbeing is on the front line of senior services in the North County community. We've been operating a Senior Information Resource Center in San Marcos since 2016 and during COVID-19, we continue to serve hundreds of seniors through virtual programs. We operate much like a senior center and continue to hear that seniors are facing a complex array of issues and lack of resources in the areas of housing, transportation, home repair, food & nutrition needs, emergency preparedness, and medical or mental health concerns, legal issues and more. Because of COVID-19, Many of our clients are isolated, lonely and in desperate need of help. The Foundation for Senior Wellbeing exists to connect with and support seniors, their families and caregivers, as they navigate through these challenging times.</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 unit3. Federal & State Tax ID numbers4. Board of Directors listing with affiliations <p>5. Regular Grants Only:</p> <ol style="list-style-type: none">a. 1-2 page narrativeb. First 2 pages of Federal 990c. Most recent year-end Statement or Audit including any management letters associated with Audit.d. Signature of President or Authorized Officer on Applicatione. Optional: letters of support		<p>Expected date project will begin/end: 1/1/2021</p> <p>Date by which funds will be expended: 4/1/2021</p> <p>Signature of President or Authorized Officer <i>Alison Drasser</i> 10/2/20 Name, Title Date <i>President</i></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): jcadima@san-marcos.net</p>



NARRATIVE – San Marcos Community Foundation – Application for Regular Grant (Emailed to jcadima@san-marcos.net)

Our Mission

The Foundation is dedicated to improving the wellbeing of a growing population of seniors throughout North San Diego County by linking them, their families, and their caregivers to resources and programs.

The five elements of senior wellbeing:

- A sense of purpose
- Supportive relationships
- Financial security
- Community pride
- Good physical health

Our vision

That all seniors in North San Diego County achieve personal wellbeing so they may thrive!

October 5, 2020

Dear Colleen Lukoff and the San Marcos Community Foundation Team:

The Foundation for Senior Wellbeing is on the front line of senior services in the North County community. We've been operating a Senior Information Resource Center in San Marcos since 2016 and during COVID-19, we continue to serve hundreds of seniors through virtual programs. We operate much like a senior center and continue to hear that seniors are facing a complex array of issues and lack of resources in the areas of housing, transportation, home repair, food & nutrition needs, emergency preparedness, and medical or mental health concerns, legal issues and more. Because of COVID-19, Many of our clients are isolated, lonely and in desperate need of help.

The Foundation for Senior Wellbeing exists to connect with and support seniors, their families and caregivers, as they navigate through these challenging times.

We are seeking funding from the San Marcos Community Foundation so that we may keep our Information Resource Center open.

Information Resource Center Program Description

Since 2016, the Foundation for Senior Wellbeing's Senior Information Resource Center (IRC) has been dedicated to improving seniors' quality of life, through free counseling and support. This center is led by a Program Coordinator, who provides compassionate and empathetic case management to "senior orphans" – that is, older adults who do not have family or caregiver support. During the coronavirus stay-at-home orders, we have been hosting "Coffee Connection" weekly calls by Zoom for our clients and other seniors. Many of those we help are overwhelmed due to the global pandemic and some are retreating from social life, resulting in isolation, depression or worsening health issues. Coffee Connection is designed to connect isolated seniors in a fun, upbeat, and educational forum. With more than 20 seniors connecting each week, we hope to expand or offer other sessions in the future. We also continue to utilize volunteers to call and follow-up with past clients. We are continuing to serve clients virtually but need additional funding to support operating expenses and implement expanded outreach and community awareness efforts.

Who We Serve

The Foundation primarily serves seniors, their caregivers and families in the North County (San Diego) region, in the communities of: Encinitas, Carlsbad, Oceanside, Vista, San Marcos, Escondido, Rancho Bernardo, Poway, and other unincorporated areas in North County. The vast majority of our clients are "at-risk" economically disadvantaged, with an average age of 73. Most live alone – often called "senior orphans" – and come to us

because they have few or no family members to rely on for support. Over the past four years, our resource center, events and emergency support services have touched some 3,500 North County citizens. Approximately a quarter of our IRC clients reside in San Marcos.

Collaborative Partnerships

Many of our clients need direct financial support to make ends meet. In order to meet this need, we contribute to a Senior Crisis Fund which provides “mini-grants” to seniors in need. The program is administered through an MOU with our partner, Interfaith Community Services. Additionally, we have a strong relationship with the San Marcos Senior Activity Center (see attached letter of support). Due to City of San Marcos COVID-19 budget cuts, they lost their resource employee and have been referring clients to our center for support. We have been in discussion with the center about partnering to fill this gap when the Senior Activity Center reopens.

Expected Outcomes

The Foundation for Senior Wellbeing measures the success of our Information Resource Center by the number of clients we serve and their satisfaction level. Since the end of March through the end of this year, we expect to provide direct support to 500+ unique individuals through our resource center and outreach programs. We measure program success through our client intake forms, where we ask clients to rank their support and use this feedback to track client satisfaction. (Last year, 85% of our clients marked their opinion as “satisfied” or “extremely satisfied.”)

Why We Need Your Support

During this era of coronavirus, the way we support seniors has changed (migrating to virtual support), *but the need has grown*. Keeping our team on staff is critical to retaining our services and programs. In the past, The Foundation for Senior Wellbeing has received grants from the San Diego County Community Enhancement Grant Program, The Tippet Foundation, the City of Encinitas Community Grant program, Current Wisdom and the Staples Foundation. Due to COVID-19, several grant programs have been stalled or we have been told to expect less funding than in years past. Additionally, we raise a significant portion of our income through two annual fundraising events. Our May event was cancelled, and our November event will be online. Our active Board of Directors, along with the Executive Director, continues to seek funding from additional grant sources, sponsorships and private contributors.

A \$5,000 grant from the San Marcos Community Foundation would support staff payroll and operating expenses during the first quarter of 2021, helping bridge the current funding gap. This funding would keep on our Program Coordinator, who is the critical leader of our Information Resource Center and manages client assistance. Together, and with your support, we can ensure a brighter future for seniors during this unprecedented time of uncertainty.

Thank you for your consideration,



Sarah Benson

Executive Director, The Foundation for Senior Wellbeing

sarah@thefoundationforseniorwellbeing.org

Cell: 760-809-7958

PO Box 1896, San Marcos CA 92079

**SAN MARCOS COMMUNITY FOUNDATION
Budget Worksheet**

The Foundation for Senior Wellbeing's Information Resource Center

Provide an itemized list of expenses for this project:

Information Resource Center Expenses (2021 projected budget)

Salaries and Wages - IRC	\$(30,000.00)
Donation for Facility	\$(3,600.00)
Postage	\$(250.00)
Printing and Copying	\$(1,200.00)
Outreach events / Advertising / PR / Banner Ads	\$(2,000.00)
Supplies	\$(1,200.00)
Phone & Internet (half - landline/internet)	\$(800.00)
Toll Free number	\$(300.00)
Volunteer Recognition	\$(150.00)
Total IRC Expenses:	\$(39,500.00)

Total budget for this PROJECT: \$39,500

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, if the SMCF would like to discuss this option, please contact Sarah Benson to discuss.

Please list any other funding sources for this project.

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

\$8,000 – The San Diego Foundation COVID Response Grant ** C

\$4,853 - County of San Diego's Small Business Stimulus Grant Funding ** CD

\$? - San Diego County Community Enhancement Grant Program ** P

\$? - SD Senior Community Foundation COVID-19 recovery fund grant ** P

Foundation for Senior Well Being

Profit & Loss

January through July 2020

	Jan - Jul 20
Ordinary Income/Expense	
Income	
40000 · General Contributed Support	
40100 · Sponsorships (general,not conf)	
40200 · Grants (not confirmed)	11,596.73
40300 · Individual Contributions	7,994.51
Total 40100 · Sponsorships (general,not c...	19,591.24
Total 40000 · General Contributed Support	19,591.24
42000 · Bingo Program - Income	
42100 · Cash Sales	659.00
Total 42000 · Bingo Program - Income	659.00
43000 · Tribute to Traditions - Income	
43100 · Sponsorships	
43150 · Sponsorships	464.25
Total 43100 · Sponsorships	464.25
Total 43000 · Tribute to Traditions - Income	464.25
Total Income	20,714.49
Expense	
52000 · Professional Services	
52400 · Graphic Design	1.00
Total 52000 · Professional Services	1.00
53000 · Grants Paid	
53100 · Crisis Fund Contribution	2,500.00
Total 53000 · Grants Paid	2,500.00
54000 · Other General Expenses	
54100 · Fees and Taxes	109.00
54160 · Donation to Panorama - Admin	900.00
54200 · Computer (ie. virus protection)	3,203.18
54300 · Insurance - Liability, D and O	575.00
54350 · Insurance - Work Comp	514.06
54500 · Online (cloud storage/CRM)	349.92
54600 · Storage	995.00
Total 54000 · Other General Expenses	6,646.16
61000 · IRC Office Expense	
61100 · Salaries and Wages	
61105 · Salaries and Wages - Exec Dir	26,693.31
61110 · Salaries & Wages - Office	11,939.61
61125 · Payroll Fees	
Payroll Fees	28.00
Total 61125 · Payroll Fees	28.00
61150 · Payroll taxes	3,665.26
Total 61100 · Salaries and Wages	42,326.18
61200 · Donation to Panorama - IRC	1,200.00
61300 · Postage	90.80
61400 · Printing and Copying	48.39
61500 · Advertising / PR (IRC)	571.18
61600 · Supplies	529.08
61700 · Phone & Internet	1,281.23
61999 · IRC - Misc Expenses	55.00
Total 61000 · IRC Office Expense	46,101.86

11:46 AM

08/19/20

Accrual Basis

Foundation for Senior Well Being

Profit & Loss

January through July 2020

	Jan - Jul 20
62000 · Bingo Program - Expenses	
62100 · Supplies and Fees	389.51
Total 62000 · Bingo Program - Expenses	389.51
64000 · Festival of Trees - Expenses	
64300 · Venue - Vista Optimists Club	-1,000.00
64999 · FOT - Misc Expenses	879.66
Total 64000 · Festival of Trees - Expenses	-120.34
Total Expense	55,518.19
Net Ordinary Income	-34,803.70
Other Income/Expense	
Other Income	
70000 · Investment Income	
70100 · Dividends / Interest	0.70
Total 70000 · Investment Income	0.70
Total Other Income	0.70
Other Expense	
80000 · Ask My Accountant	1,096.73
Total Other Expense	1,096.73
Net Other Income	-1,096.03
Net Income	-35,899.73

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

2018
Open to Public Inspection

A For the 2018 calendar year, or tax year beginning , and ending

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization

THE FOUNDATION FOR SENIOR WELLBEING
Doing business as
Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 1896
City or town, state or province, country, and ZIP or foreign postal code
SAN MARCOS CA 92079

D Employer identification number

95-3622887

E Telephone number

760-891-8176

G Gross receipts \$ 68,809

F Name and address of principal officer:

ALISON DRIESSEN
PO BOX 1896
SAN MARCOS CA 92079

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ 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: ▶ [HTTPS://WWW.THEFOUNDATIONFORSENIORWELL](https://www.thefoundationforseniorwell.org)

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1977

M State of legal domicile: CA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O		
	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	9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	2
	6 Total number of volunteers (estimate if necessary)	6	20
		7a Total unrelated business revenue from Part VIII, column (C), line 12	7a
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	Current Year
	9 Program service revenue (Part VIII, line 2g)	51,623	36,888
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,336	3,303
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	52,619	7,596
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-949	4,448
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	105,629	52,235
	14 Benefits paid to or for members (Part IX, column (A), line 4)	2,400	9,200
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	14,460	55,216
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	34,680	32,674
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	51,540	97,090
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12	54,089	-44,855
	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	548,232	483,272
	22 Net assets or fund balances. Subtract line 21 from line 20	725	578
		547,507	482,694

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

ALISON DRIESSEN

CHAIR

Type or print name and title

Paid

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed PTIN P00543666

Preparer Use Only

Firm's name ▶ HACKETT, METSKER & OSWALD, CPAS

Firm's EIN ▶ 26-1081736

5741 PALMER WAY, SUITE A

Firm's address ▶ CARLSBAD, CA 92010-7248

Phone no. 760-438-9500

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

**1** Briefly describe the organization's mission:

SEE SCHEDULE O

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 \$ 77,239 including grants of \$ 9,200) (Revenue \$)

THE FOUNDATION OPERATES AN INFORMATION RESOURCE CENTER FOR SENIORS, THEIR FAMILIES, AND CAREGIVERS TO PROVIDE INFORMATION LINKING THEM TO RESOURCES AND PROGRAMS.

4b (Code:) (Expenses \$ 2,587 including grants of \$) (Revenue \$)

PROVIDE EVENTS FOR SENIORS TO MEET AND SOCIALIZE

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

N/A

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

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

4e Total program service expenses 79,826



FOUNDATION FOR SENIOR WELLBEING

BOARD OF DIRECTORS 2020-21

Alison Driessen, Chair

Retired Registered Nurse / Senior Advocate

Bryan Devore, Vice Chair

Real Estate Agent / Host of Senior Savers TV

Rachel Currington, Secretary

Edward Jones Financial Advisor

Tom Cowan

Non-profit leader

Monica Demler

Retired/ Senior Advocate

Tiffany Filippi

Los Robles Healthcare

Fritzi Gros-Daillon

Household Guardians

Audrey Kelly

Retired / Senior Advocate

Chris Orlando

Business man, former San Marcos Councilperson

Rebecca Steiner

Retired/ Gerontologist

STAFF

Sarah Benson

Executive Director

Becky Noel

Program Coordinator, Information Resource Center

Alison Driessen
1757 Turnberry Dr.
San Marcos, CA 92069

October 2, 2020

Board of Directors
San Marcos Community Foundation

Ladies and gentlemen,

This is a letter of support for the Foundation for Senior Wellbeing. I have been involved as member of the Board for the last 12 years.

We have grown from a small volunteer driven non- profit to a larger, program oriented organization and with 2 part time staff members are able to serve a greater number of seniors in many ways.

During this time of COVID-19 we have maintained our staff and continue our programs by phone and computer. We are finding a great number of clients suffering from fear and isolation and help them by maintaining contact and finding resources to address any issues.

We also have a partnership with Interfaith Community Services who administer a senior emergency fund that we provide.

We are asking for your support to keep these programs viable for the next year as we work with more San Marcos seniors who need assistance.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Alison Driessen', written over a horizontal line.

Alison Driessen

October 5, 2020

To Whom It May Concern:

I am writing this letter of support for The Foundation for Senior Wellbeing. Here at the San Marcos Senior Activity Center, we have an ongoing relationship with The Foundation, who (pre-COVID) operated our weekly Bingo program. We support the non-profit because of the great work they do to help seniors improve their quality of life. As seniors are increasingly finding themselves homebound and isolated during this pandemic, they need more support to prevent the major issues facing this population, such as depression, deteriorating health, lack of social connection and high anxiety. The Foundation offers a weekly virtual social check-in called Coffee Connection that helps them form friendships, talk about how to navigate life during this "new-normal" and to learn about successful aging from guest speakers. Since the COVID-19 public health order closed the San Marco Senior Activity Center in-person operations, we no longer have a resource professional on staff. We often refer seniors who contact us for resources to The Foundation for Senior Wellbeing's Information Resource Center. Many of the seniors we help have difficulty navigating access to resources, so having a real person to speak with at the Foundation's resource center is important for our clients. I hope you will consider providing The Foundation for Senior Wellbeing with a San Marcos Community Foundation grant so they may continue their work with older adults in our San Marcos community.

Thank You,



Jennifer Overman

Recreation Supervisor II

joverman@san-marcos.net

(760) 744-5535 x3608

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

DEPARTMENT OF THE TREASURY

Date: FEB 26 2003

SAN MARCOS SENIOR CITIZENS CLUB
C/O BARBARA G FISCHER, A.P.C.
310 S TWIN OAKS VALLEY ROAD
SUITE 107 #377
SAN MARCOS, CA 92078

Employer Identification Number:
95-3622887
DLN:
17053242033012
Contact Person:
GAYLE M ADAMS ID# 95073
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Foundation Status Classification:
IRC 170(b)(9)(A)(vi)
Advance Ruling Period Begins:
August 26, 2002
Advance Ruling Period Ends:
December 31, 2006
Addendum Applies:
no

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make

Letter 1045 (DO/CG)

SAN MARCOS SENIOR CITIZENS CLUB

a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue 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.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period.

Letter 1045 (DO/CG)

SAN MARCOS SENIOR CITIZENS CLUB

that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

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

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

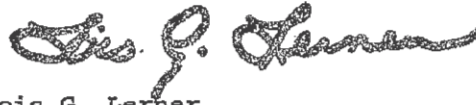
We have sent a copy of this letter to your representative as indicated in your power of attorney.

Letter 1045 (DO/CG)

SAN MARCOS SENIOR CITIZENS CLUB

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Lois G. Lerner". The signature is fluid and cursive, with the first name "Lois" being more prominent.

Lois G. Lerner
Director, Exempt Organizations

Enclosure(s):
Form 872-C

OGDEN UT 84201-0046

In reply refer to: 0423273795
July 08, 2014 LTR 252C 0
95-3622887 000000 00
00004980
BODC: TE

THE FOUNDATION FOR SENIOR WELLBEING
PO BOX 1896
SAN MARCOS CA 92079-1896

008043

Taxpayer Identification Number: 95-3622887

Dear Taxpayer:

Thank you for the inquiry dated Apr. 25, 2014.

We have changed the name on your account as requested. The number shown above is valid for use on all tax documents.

If you need forms, schedules, or publications, you may get them by visiting the IRS website at www.irs.gov or by calling toll-free at 1-800-TAX-FORM (1-800-829-3676).

If you have any questions, please call us toll free at 1-877-829-5500.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.

Telephone Number () _____ Hours _____

Sincerely yours,



Sheila Bronson
Dept. Manager, Code & Edit/Entity 3

Enclosure(s):
Copy of this letter



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

Entity Status Letter

Date: 10/5/2020

ESL ID: 7449271593

Why You Received This Letter

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

Entity ID: 0826255

Entity Name: THE FOUNDATION FOR SENIOR WELLBEING

- ☒ 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 d.
- ☐ 4. We do not have current information about the entity.
- ☐ 5. The entity was administratively dissolved/cancelled on _____ through the Franchise Tax Board Administrative Dissolution process.

Important Information

- This information does not necessarily reflect the entity's current legal or administrative status with any other agency of the state of California or other governmental agency or body.
- If the entity's powers, rights, and privileges were suspended or forfeited at any time in the past, or if the entity did business in California at a time when it was not qualified or not registered to do business in California, this information does not reflect the status or voidability of contracts made by the entity in California during the period the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
- The entity certificate of revivor may have a time limitation or may limit the functions the revived entity can perform, or both (R&TC Section 23305b).

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

SAN MARCOS COMMUNITY FOUNDATION

Grant Cover Page

(Choose one) ☐ **MINI-GRANT** **(Choose one)** ☒ **REGULAR GRANT**

Project Name: Project Youth	Total # of people served: 10,000	Amount Requested: \$10,000
Date Submitted: September 18, 2020	Total # of San Marcos residents served: 2885	
Non-Profit Organization Name and Address, Website	Contact Person – Name, Title & Phone, email	
North County LGBTQ Resource Center 3220 Mission Avenue, Suite 2 Oceanside, CA 92058	Max Disposti, Executive Director (760) 672-1848 maxrome@cox.net	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Funding from the San Marcos Community Foundation will support The Center’s Project Youth activities in San Marcos, including the school district, Palomar College and Cal State San Marcos. Project Youth activities include expert mental health services and the Leadership Summit Project. Additionally, funding will support Certified LGBTQ Competency Training for San Marcos educators, youth serving organizations, first responders and more.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The LGBTQ Resource Center is the only organization in North San Diego County providing services directed to increasing safety and support for LGBTQ+ community members, and to increasing the competence of front-line services and systems. In addition to supporting the San Marcos School District, the presence of both Palomar College and Cal State San Marcos in the San Marcos community make the support of The Center particularly significant and relevant.</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: 1/1/2021</p> <p>Date by which funds will be expended: 12/31/2021</p> <p>Signature of President or Authorized Officer</p>  <p>Max Disposti, Executive Director, 9/18/2020 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): 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)

[illegible]

Total budget for this PROJECT: \$72,400

Grant Request Amount: **\$10,000**
(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).

\$5,000	(Name of source)	<u>Cushman Family Foundation</u>	**C
\$10,000	(Name of source)	<u>Monthly Donors</u>	**C
\$10,000	(Name of source)	<u>General/Individual Contributions</u>	**P
\$10,000	(Name of source)	<u>Gala (Annual Event)</u>	**P



North County LGBTQ Resource Center
2020 INCOME STATEMENT

Board Approved on:

Income		2019	BUDGET Approved Feb 18 2020
1. Gala Fundraiser		\$89,545.22	\$75,000.00
2. Monthly Donors		\$25,705.44	\$32,500.00
3. General Contributions		\$44,136.42	\$45,000.00
4. Dining Out For Life		\$3,615.24	\$0.00
5. Marketing Promotions-Rent Income		\$2,152.78	\$2,200.00
6. Matching Contributions		\$11,009.27	\$10,000.00
7. Corporate Donations.....		\$14,066.33	\$10,000.00
8. Training.....		\$1,300.00	\$600.00
9. Unicorn Homes Payrolls		\$25,248.00	\$15,000.00
10. Mental Health Payrolls.....		\$0.00	\$15,000.00
11. HIV Payroll.....		\$6,000.00	\$4,000.00
12. Reimbursements.....		\$15,394.14	\$5,000.00
13. GAP Payroll		\$0.00	\$4,000.00
14. Project Youth payroll		\$0.00	\$7,000.00
15. Emergency Funds.....		NA	\$90,000.00
Total Revenue		\$238,172.84	\$315,300.00
Expenses		2019	BUDGET 2020
1. Rent		\$15,010.00	\$15,000.00
2. Office Supply Expenses (Ink, paper, material)		\$3,022.53	\$2,500.00
3. Book Keeping		\$0.00	\$2,500.00
4. EA Linda Johnson W2.....		\$30,645.64	\$33,000.00
5. ED Max Disposti Salary W2.....		\$41,474.59	\$45,000.00
6. GAP Coordinator Bek Cerna W2/HT		\$6,048.69	\$4,500.00
7. Unicorn Home Coordinator Leea Provonost W2.....		\$13,369.94	\$12,500.00
8. Youth Coordinator Relle Goan W2.....		\$15,002.13	\$6,000.00
9. Mental Health Therapist, Robyn Shapiro W2.....			\$12,000.00
10. HIV Tester and Educator Sam Fernandez W2.....		\$4,473.20	\$3,000.00
11. Janitorial Contractor Kyle Johnson		\$1,261.38	\$2,000.00
12. Dining Out for Life (Contractor).....		\$2,629.02	\$600.00
12A. We Breathe payroll Bianca Rodriguez		NA	\$5,000.00
13. Health Benefits.....		\$7,779.13	\$8,000.00
14. ADP		\$2,575.96	\$3,000.00
15. Taxes		\$37,841.76	\$43,000.00
16. Taxes Preparation.....		\$1,350.00	\$1,500.00
17. Mileage		\$1,946.50	\$1,500.00
18. Paymentech Charges (credit cards charges)		\$1,009.68	\$1,300.00
19. Board expenses (food, awards presentations, retreats etc...)		\$4,953.75	\$3,000.00
20. ED Expenses/Networking/Travelling/		\$1,386.88	\$1,200.00
21. Training Expenses (Staff)		\$141.82	\$1,000.00
22. Web Site Charges Startlogic, Constant cntact + Quickbook Software		\$2,440.00	\$2,600.00
23. Insurance BOD/		\$4,004.00	\$4,150.00
24. Insurance Worker Comps		\$931.50	\$990.00
25. Cleaning Supplies (TP, trash bags, etc...)		\$158.98	\$500.00
26. Utilities: SDGE		\$1,711.83	\$1,500.00

27. Internet Cox	\$705.00	\$750.00
28. Phone	\$237.81	\$950.00
29. Gala Fundraiser	\$16,142.95	\$20,000.00
30. Marketing Promotions (center fliers, mailing promotions)	\$4,043.04	\$7,000.00
31. Gender Advocacy Project	\$747.17	\$800.00
32. TDOR.....	\$232.87	\$500.00
33. TDOV.....	\$715.32	\$400.00
34. SD PRIDE and Trans Pride.....	\$2,069.00	\$1,000.00
35. Town Hall Meeting.....	\$959.99	\$650.00
36. Holiday and General Events (Thanks giving-xmas lunch, BBQ events)	\$664.97	\$1,000.00
37. Support groups expenditures.....	\$1,164.07	\$1,500.00
38. Maintanance and repair.....	\$461.86	\$600.00
39. Volunteer Appreciation Event	\$380.45	\$800.00
40. Emergency Funds Expenses	NA	\$30,000.00
Total Expenses	\$229,693.41	\$282,790.00



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0752286427
Dec. 17, 2018 LTR 4168C 0
39-2069596 000000 00

00170995
BODC: TE

NORTH COUNTY LESBIAN GAY BISEXUAL
TRANSGENDER QUESTIONING RESOURCE
% MAX DISPOSTI
3220 MISSION AVE STE 2
OCEANSIDE CA 92058-1354



074008

Employer ID number: 39-2069596
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated Dec. 06, 2018, about your tax-exempt status.

We issued you a determination letter in November 2008, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(03).

We also show 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 you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

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

NORTH COUNTY LESBIAN GAY BISEXUAL
TRANSGENDER QUESTIONING RESOURCE
% MAX DISPOSTI
3220 MISSION AVE STE 2
OCEANSIDE CA 92058-1354

time).

Thank you for your cooperation.

Sincerely yours,



Teri M. Johnson
Operations Manager, AM Ops. 3



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

Entity Status Letter

Date: 6/25/2019

ESL ID: 1252051803

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

Entity ID: 8003452

Entity Name: NORTH COUNTY LGBTQ RESOURCE CENTER

- ☒ 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 d.
- ☐ 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



North County LGBTQ Resource Center

BOARD OF DIRECTORS 2020

Maria Al-Shamma, Chair/Executive Committee
School Social Worker

Joe White, Treasurer/Executive Committee
Corporate Executive

Ken Grandlund, Secretary
Corporate Executive

Corinna Contreras, Member at Large
Councilmember

Carlos Tabora, Member at Large
Health Insurance manager

Aaron Giron, Member at Large
Lawyer

Anna Runion, Community Partner
Pilgrim Church Pastor

Gregory Richardson, Youth Adviser

All board members (100%) financially support the organization

KEY STAFF 2020

Max Disposti, Executive Director

Our mission is to serve, empower, and advocate for North County's diverse LGBTQI community.



San Marcos Community Foundation
North County LGBTQ Resource Center (The Center)
Narrative

The North County LGBTQ Resource Center (The Center) was founded in 2008 as 501(c)(3) non-profit organization to address the reality that there were no agencies in the region specifically dedicated to, and able to provide culturally competent services to, the LGBTQ population. The Center opened its Oceanside Resource Center in December 2011 and since that inauguration the population served has grown to serve approximately 10,000 people annually, with two full-time staff supplemented by a deep bench of volunteers and contractors. Currently, The Center provides services and a safe place six days a week, for a total of 48 hours each week.

The mission of The North County LGBTQ Resource Center is to serve, empower, and advocate for North County's diverse LGBTQI community. The Center is singularly dedicated to the health, mental health and overall well-being of LGBTQ+ residents of North San Diego County, providing safe spaces and expert, culturally aware programming. The Center addresses equity (health, mental health, social) and inclusiveness through the delivery of nine permanent and distinguished programs: Project Youth, Unicorn Homes, Mental Health, Gender Advocacy Project, Professional Partner Project, Certified LGBTQI Competency Training, Human Trafficking Prevention, HIV Services, and Pride By the Beach.

Project Youth (PY) is a constellation of direct service, educational, and advocacy strategies designed to support safety and resilience for LGBTQ youth. Youth development activities are facilitated by a volunteer director and are guided and owned by a committee of 7-8 youth, supported by a part-time staff member. PY is responsible for many of the youth related activities and events that are essential for raising awareness and creating visibility among youth. This visibility ensures that queer and questioning youth can access a safe space, support and services in a socio-cultural environment that often presents a hostile face to them. This support can and has been lifesaving. Activities and events include the Gay Straight Alliance (GSA) Award, Leadership Summit, and Queer Prom. PY delivers its activities thanks to a group of 40-60 volunteers.

LGBTQ+ youth have high rates of suicide attempts and are regularly targeted for bullying and hate-related crimes. LGBTQ+ youth end up homeless at much higher rates than straight youth, can be prime targets for human trafficking and forced prostitution, and they are at high risk of not reaching their academic and vocational goals for many reasons including a lack of family support, lack of social support and acceptance, and bullying. In order for queer youth to succeed in their transition to adulthood, they must have a safe space where they are accepted for who they are, and are provided with support, including expert mental health services, life

skills training and support, encouragement, and opportunities for leadership and self-directed advocacy.

In the current pandemic emergency, including fluctuating stay-at-home orders and reduced ability to congregate, many vulnerable LGBTQ+ youth are sheltering in place with unsupportive and potentially abusive family members and have reduced access to social supports such as friends, teachers and The Center. Consequently, Project Youth services are more necessary than ever and are being conducted virtually during times when gathering in person is not recommended or safe.

Specifically, funding from the San Marcos Community Foundation will support the following activities targeting San Marcos youth and young adults:

- **Leadership Summit Project** is a youth-driven educational program that aims to strengthen LGBTQ+ students and their relations with peers and community members while providing a safe environment for all. The program provides peer support, leadership development and training throughout the school year in starting, strengthening, and sustaining Gay Straight Alliance (GSA) clubs in North County high schools. The program allows students to support themselves and others while educating the surrounding community about homophobia, transphobia, gender identity and sexual orientation-related topics. Research by The Gay Straight Alliance Network (GSAN) and the Gay Lesbian, and Straight Educational Network (GLSEN) demonstrates that the presence of a safe space in the community and within schools can reduce suicide attempts for transgender individuals and can reduce drop out rates up to 50% the first year of implementation.
- **Mental Health Counseling** will be provided ongoing by licensed therapists with expertise in the issues of LGBTQ youth, increasing resiliency, improving family relationships, supporting continued participation in education and supporting prosocial relationships.
- **LGBTQ Competency Training:** will contribute to a culture and responsiveness shift in favor of safety for some of our most vulnerable youth by ensuring that educators, service providers, and first responders have the information and tools they need to support LGBTQ youth and families.

The Center's Project Youth is dedicated to serving San Marcos youth and young adults through its work in the San Marcos School District, as well as at Cal State San Marcos and Palomar College. In addition, all San Marcos youth benefit from increased LGBTQ+ Competency in institutions and systems that interface with youth, ensuring increased advocacy and support to decrease bullying, depression, anxiety, improve family relationships and increase school and life success for our most vulnerable youth.

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

2018**Open to Public
Inspection****A For the 2019 calendar year, or tax year beginning 01-01-2018, and ending 12-31-2018**

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 NORTH COUNTY LGBTQ RESOURCE CENTER		D Employer identification number 39-2069596
	Doing business as		E Telephone number (760) 994-1690
	Number and street (or P.O. box if mail is not delivered to street address) 3220 MISSION AVENUE	Room/suite	
	City or town, state or province, country, and ZIP or foreign postal code OCEANSIDE, CA 92058		
F Name and address of principal officer MASSIMILIANO DISPOSTI 3220 MISSION AVENUE OCEANSIDE, CA 92058		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
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.NCRESOURCECENTER.ORG			
K Form of organization <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input checked="" type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 2008	M State of legal domicile CA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO EMPOWER AND INCREASE THE VISIBILITY, EQUALITY AND INCLUSIVENESS OF THE LGBTQ COMMUNITY			
	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	8	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	8	
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	5	
Revenue	6 Total number of volunteers (estimate if necessary)	6	150	
	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		
	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year	
	9 Program service revenue (Part VIII, line 2g)	194,666	260,561	
Expenses	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		0	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	26,222	24,310	
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	220,888	284,871	
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0	
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0	
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	105,791	135,158	
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0	
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 6,373			
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	100,381	55,977	
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	206,172	191,135	
Net Assets or Fund Balances	19 Revenue less expenses Subtract line 18 from line 12	14,716	93,736	
	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year	
		72,051	165,787	
		21 Total liabilities (Part X, line 26)		0
		22 Net assets or fund balances Subtract line 21 from line 20	72,051	165,787

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	*****	2019-03-05
	Signature of officer	Date
	MASSIMILIANO DISPOSTI EXECUTIVE DIRECTOR	
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date 2019-03-05	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ Munger & Company CPAs	Firm's EIN ▶			
	Firm's address ▶ 5814 Van Allen Way Suite 200 Carlsbad, CA 92008	Phone no (760) 730-8020			

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:

TO FOSTER AND EMPOWER THE NORTH COUNTY LESBIAN, GAY, BISEXUAL, TRANSGENDER AND QUESTIONING LGBTQ COMMUNITY BY PROVIDING A SAFE PLACE, ADVANCING AWARENESS AND VISIBILITY AND SUSTAINING EQUALITY AND INCLUSIVENESS

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 \$ 136,606	including grants of \$	(Revenue \$)
See Additional Data				

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 ▶	136,606
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North County LGBTQ Resource Center
2020 INCOME STATEMENT

Board Approved on:

Income		2019	BUDGET Approved Feb 18 2020
1. Gala Fundraiser		\$89,545.22	\$75,000.00
2. Monthly Donors		\$25,705.44	\$32,500.00
3. General Contributions		\$44,136.42	\$45,000.00
4. Dining Out For Life		\$3,615.24	\$0.00
5. Marketing Promotions-Rent Income		\$2,152.78	\$2,200.00
6. Matching Contributions		\$11,009.27	\$10,000.00
7. Coorporate Donations.....		\$14,066.33	\$10,000.00
8. Training.....		\$1,300.00	\$600.00
9. Unicorn Homes Payrolls		\$25,248.00	\$15,000.00
10. Mental Health Payrolls.....		\$0.00	\$15,000.00
11. HIV Payroll.....		\$6,000.00	\$4,000.00
12. Reimbursements.....		\$15,394.14	\$5,000.00
13. GAP Payroll		\$0.00	\$4,000.00
14. Project Youth payroll		\$0.00	\$7,000.00
15. Emergency Funds.....		NA	\$90,000.00
Total Revenue		\$238,172.84	\$315,300.00
Expenses		2019	BUDGET 2020
1. Rent		\$15,010.00	\$15,000.00
2. Office Supply Expenses (Ink, paper, material)		\$3,022.53	\$2,500.00
3. Book Keeping		\$0.00	\$2,500.00
4. EA Linda Johnson W2.....		\$30,645.64	\$33,000.00
5. ED Max Disposti Salary W2.....		\$41,474.59	\$45,000.00
6. GAP Coordinator Bek Cerna W2/HT		\$6,048.69	\$4,500.00
7. Unicorn Home Coordinator Leea Provonost W2.....		\$13,369.94	\$12,500.00
8. Youth Coordinator Relle Goan W2.....		\$15,002.13	\$6,000.00
9. Mental Health Therapist, Robyn Shapiro W2.....			\$12,000.00
10. HIV Tester and Educator Sam Fernandez W2.....		\$4,473.20	\$3,000.00
11. Janitorial Contractor Kyle Johnson		\$1,261.38	\$2,000.00
12. Dining Out for Life (Contractor).....		\$2,629.02	\$600.00
12A. We Breathe payroll Bianca Rodriguez		NA	\$5,000.00
13. Health Benefits.....		\$7,779.13	\$8,000.00
14. ADP		\$2,575.96	\$3,000.00
15. Taxes		\$37,841.76	\$43,000.00
16. Taxes Preparation.....		\$1,350.00	\$1,500.00
17. Mileage		\$1,946.50	\$1,500.00
18. Paymentech Charges (credict cards charges)		\$1,009.68	\$1,300.00
19. Board expenses (food, awards presentations, retreats etc...)		\$4,953.75	\$3,000.00
20. ED Expenses/Networking/Travelling/		\$1,386.88	\$1,200.00
21. Training Expenses (Staff)		\$141.82	\$1,000.00
22. Web Site Charges Startlogic, Constant cntact + Quickbook Software		\$2,440.00	\$2,600.00
23. Insurance BOD/		\$4,004.00	\$4,150.00
24. Insurance Worker Comps		\$931.50	\$990.00
25. Cleaning Supplies (TP, trash bags, etc...)		\$158.98	\$500.00
26. Utilities: SDGE		\$1,711.83	\$1,500.00

27. Internet Cox	\$705.00	\$750.00
28. Phone	\$237.81	\$950.00
29. Gala Fundraiser	\$16,142.95	\$20,000.00
30. Marketing Promotions (center fliers, mailing promotions)	\$4,043.04	\$7,000.00
31. Gender Advocacy Project	\$747.17	\$800.00
32. TDOR.....	\$232.87	\$500.00
33. TDOV.....	\$715.32	\$400.00
34. SD PRIDE and Trans Pride.....	\$2,069.00	\$1,000.00
35. Town Hall Meeting.....	\$959.99	\$650.00
36. Holiday and General Events (Thanks giving-xmas lunch, BBQ events)	\$664.97	\$1,000.00
37. Support groups expenditures.....	\$1,164.07	\$1,500.00
38. Maintanance and repair.....	\$461.86	\$600.00
39. Volunteer Appreciation Event	\$380.45	\$800.00
40. Emergency Funds Expenses	NA	\$30,000.00
Total Expenses	\$229,693.41	\$282,790.00

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: NHC Security Communication Date Submitted: 10/02/2020	Total # of people served: 34,561 Total # of San Marcos residents served: 1,830	Amount Requested: \$4,250
Non-Profit Organization Name and Address, Website Neighborhood Healthcare 425 N. Date Street Escondido, CA 92025 https://www.nhcare.org	Contact Person – Name, Title & Phone, email Ellen Clark Grant Writer 760-520-8300 x 2250 Ellen.Clark@nhcare.org	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Funds, if granted, will be used to provide 2-way radios for the security team, and at the front desks, at all Escondido, CA Health Center locations. Radios will replace both non-working units and those with inadequate coverage.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>Neighborhood Healthcare offers quality health services to every member of our community, regardless of situation or circumstance. We offer low-cost, discounted care for uninsured patients. We also accept most insurance plans, including Medi-Cal and Medicare. Due to the easy access to our Health Centers from San Marcos, approximately 5% of the patients we serve in Escondido are residents of San Marcos.</p> <p>Our patients are predominantly low-income with 79% enrolled in Medi-Cal, 10% Medi-Care, 7% uninsured, 3% using public insurance and 1% with private insurance.</p>		
Please attach the following items. Both Mini-Grant & Regular: <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 5. Regular Grants Only: <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 	<div style="border-bottom: 1px solid black; padding-bottom: 5px;"> Expected date project will begin/end: 12/01/2020 - 12/30/2020 </div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;"> Date by which funds will be expended: 12/30/2020 </div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;"> Signature of President or Authorized Officer </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; padding-bottom: 5px;"> <div style="width: 70%;"> Name, Title Dr. Rakesh Patel, CEO </div> <div style="width: 25%; text-align: right;"> Date 10/1/2020 </div> </div> <div style="padding-top: 10px;"> 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): jcadima@san-marcos.net </div>	

**A Proposal Requesting Funds from the San Marcos Community Foundation
To support Neighborhood Healthcare's Security Efforts
October 2, 2020**

Executive Overview

Organization:	Neighborhood Healthcare
Year Established:	1969
Address:	425 N. Date St, Escondido, CA 92025
Program:	Security Radio Project- Escondido
Amount Requested:	\$4,250
Contact:	Ellen Clark, Grant Writer Ellen.Clark@nhcare.org 760-520-8300 x 2250
CEO:	Rakesh Patel, MD, MBA, FAAFP, CPE
501(c)3 Tax ID:	95-2796316

Mission

Our mission is to improve the health and happiness of the communities we serve by providing high-quality healthcare to all, regardless of situation or circumstance.

Background

Since 1969, Neighborhood has gone above and beyond to provide quality healthcare to every member of our community. We are a Federally Qualified Health Center providing a wide range of medical, dental, and behavioral health services, along with programs and resources designed to improve the health and happiness of the communities we serve. In 2019, Neighborhood Healthcare served over 77,630 patients in over 353,866 visits at our 16 health center sites. Seven of these sites are located in Escondido, CA serving North County.

The Need

Our security staff are in need of a new 2-way radio system in order to communicate with one another, and with the front desk staff, both within a single Health Center Location and between the Health Centers in Escondido, CA. Our current radios have failed at distances of less than 100', which is unacceptable for Security operations. As a result, the security team often supplement the use of radios with cellular telephones which neither offers the level of discretion nor signal stability needed.

The efforts of the security team not only help to ensure the general safety of our patients and staff, they are on the frontlines ensuring COVID 19 guidelines are met for building access and flow. The proper equipment is critical to providing the best possible security and safety measures for our community.

Project

To provide the Escondido security team, and each Health Center front desk, with new radio equipment which meets or exceeds the 100' minimum standard for communication. The equipment selected has been tested on site at two of our facilities in order to ensure compliance. It includes a Genuine RCA DMR Digital Handheld Radio | UHF 400-470 MHz | 5 Watts of Power | 32 Channels, with battery, clip and antennae, and a charger with base. This project also includes ear-hook surveillance kits which help ensure discretion for both intruder and medical emergency situations.

Goal:

Our goal is to provide the best possible security and comfort for our patients and staff at all of Neighborhood Healthcare's clinic locations.

Objective 1: By the end of 2020, provide all seven Escondido Health Center security teams with current, fully functional radio equipment which meet or exceed the 100' minimum standards for communication.

Objective 2: By the end of 2020, provide all seven Escondido Health Clinic front desks with radio equipment and instruction to ensure quick and accurate communication with their security team.

Measurement

In evaluating the success of this project, outcomes are measured in three specific areas:

- 1) Installation of radio equipment in all Escondido Health Center Locations by year-end; and
- 2) Training of front desk staff on the use of the radio equipment.

Demographics

Neighborhood Healthcare provides quality, affordable, and compassionate health services to our communities' most vulnerable individuals in San Diego and Riverside Counties in Southern California. Our patients are predominantly low-income with 79% enrolled in Medi-Cal, 10% Medi-Care, 7% uninsured, 3% using public insurance and 1% with private insurance.

Of the 34,561 individuals receiving care at the 7 Escondido locations, 1,830 reside in San Marcos.

Conclusion

With your help Neighborhood Healthcare will be able to improve the security and safety of our patients in all Escondido locations. Our security teams will be able to guide patients more seamlessly under the current, moving, COVID 19 restrictions. And help the administration teams better communicate with security, enabling them to provide better service to all patients.

Our request for funding is for \$4,250 to purchase the equipment for this project.

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)

RCA RDR2500 DMR Digital T2/Analog Radio Pkg (20@ \$171 each) _____ \$__ 3,420.00

RCA Single Rapid Charger Package/110-240V/US Plug (20@\$28 each)_____ \$__ 560.00

RCA Hook Style Surveillance Kit (20@ \$35 each) _____ \$__ 350.00

Adjustment for Sales Tax, Shipping and Nonprofit Discount \$__ (73.97)

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

Total budget for this PROJECT: \$__ 4,256.03

Grant Request Amount: \$__ 4,250.00

(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).**

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

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

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

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

Neighborhood Healthcare
FY 2021 Budget Summary

	FY 2021 Budget	
<u>REVENUE</u>	<u>Visits</u>	
SELF-PAY	26,338	\$1,372,036
MEDI-CAL	99,354	\$21,381,468
MEDICARE	18,848	\$3,700,726
PUBLIC INSURANCE	7,594	\$1,093,552
PRIVATE INSURANCE	2,324	\$202,356
MANAGED CARE	234,976	\$62,467,108
GRANTS & CONTRACTS	349	\$10,218,293
PHARMACY		\$656,873
CONTRACT 340B PROGRAM		\$9,157,212
DONATIONS		\$298,200
OTHER INCOME		\$647,576
TOTAL REVENUE BEFORE COVID-19	389,783	\$111,195,400
TOTAL COVID-19 ADJUSTMENT		-\$9,021,725
TOTAL REVENUE		\$102,173,675
<u>EXPENSES</u>		
SALARIES		\$53,811,333
BENEFITS		\$11,300,380
CONTRACT SERVICES		\$16,999,340
SUPPLIES		\$4,930,294
COMMUNICATIONS		\$591,795
TRAVEL		\$468,865
EQUIPMENT		\$3,461,382
FACILITIES		\$2,616,036
INSURANCE		\$202,151
FINANCING		\$293,073
ADVERTISING		\$677,038
DEPRECIATION & AMORTIZATION		\$1,323,742
OTHER		\$842,592
OUTREACH		\$49,524
TOTAL EXPENSES		\$97,567,544
OPERATING INCOME(LOSS):		\$4,606,131

Internal Revenue Service

Department of the Treasury

**P. O. Box 2508
Cincinnati, OH 45201**

Date: August 3, 2002

Person to Contact:

Steve Brown 31-07422
Customer Service Representative

Neighborhood Healthcare
425 N Date St
Escondido, CA 92025

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:

95-2796316

Dear Sir or Madam:

This is in response to the amendment to your organization's Articles of Incorporation filed with the state on March 18, 2002. We have updated our records to reflect the name change as indicated above.

Our records indicate that a determination letter issued in July 1973 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

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 sections 509(a)(1) and 170(b)(1)(A)(vi).

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.

-2-

Neighborhood Healthcare
95-2796316

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.

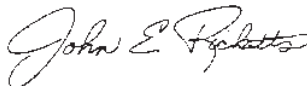
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public 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. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

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,

A handwritten signature in cursive script, appearing to read "John E. Ricketts".

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

STATE OF CALIFORNIA



FRANCHISE TAX BOARD
SACRAMENTO, CALIFORNIA 95867

October 13, 1983

In reply refer to
342:RTF:EO:EM:sm

Escondido Community Clinic
401 N. Spruce
Escondido, CA 92025

Purpose : Charitable
Form of Organization : Corporation
Accounting Period Ending: June 30
Organization Number : 0667935

This letter confirms your previous exemption from state franchise and income tax under Section 23701d, Revenue and Taxation Code. In confirming your exempt status, we have made no examination of your current activities. If the organization has changed its operation, character, or purpose since exemption was originally granted, that change must be reported immediately to this office.

You are still 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 5th month (4 1/2 months) after the close of your annual accounting period.

Contributions made to you are deductible by donors as provided by Sections 17214 through 17216.2 and 24357 through 24359 of the Code, unless your purpose is testing for Public Safety.

D. Hareid, Supervisor
Exempt Audit Unit
Telephone (916) 355-0392

FTB 4204-ATS (REV. 10-81/8-83)

A0579641

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
ESCONDIDO COMMUNITY CLINIC
(CHANGE OF CORPORATE NAME)

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

MAR 13 2002

BILL JONES, Secretary of State

THE UNDERSIGNED CERTIFY THAT:

1. They are the president and secretary, respectively of Escondido Community Clinic, a California corporation.

2. Article 1 of the Articles of Incorporation of this corporation is amended to read as follows:

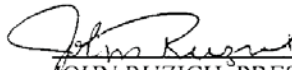

The name of this corporation is Neighborhood Healthcare.

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of the members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: 3/14/02


JOHN RUZICH, PRESIDENT

MARCIA LARSON, SECRETARY



Board of Directors Business Affiliations/Contact info FY 2020-2021

Board Members	Business Affiliation
Alan Conrad, MD <i>Board President</i>	Healthcare Medical Doctor
Cabiria “Bea” Lizarraga <i>Vice President</i>	Healthcare Registered Nurse
William Y. Smith <i>Board Treasurer</i>	Finance
Katherine “KC” Schafer <i>Board Secretary</i>	Healthcare Registered Nurse
Elmer Cameron <i>Director</i>	Retired Educator
Cynthia Tam <i>Director</i>	Finance
Federico Salas <i>Director</i>	Pastor
Nasir Al-Sammarai <i>Director</i>	Retired Educator
Judith Descalso <i>Director</i>	Law Attorney
Marisol Marquina <i>Director</i>	Law Paralegal
Laura Nunn <i>Director</i>	Advocacy Director
Thomas Jenkins <i>Director</i>	Retired

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

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.**2018****Open to Public Inspection**

A For the 2018 calendar year, or tax year beginning 07/01 , 2018, and ending 06/30 , 20 19																									
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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">C Name of organization Neighborhood Healthcare</td> <td>D Employer identification number 95-2796316</td> </tr> <tr> <td colspan="2">Doing business as</td> <td>E Telephone number 760-737-6901</td> </tr> <tr> <td colspan="2">Number and street (or P.O. box if mail is not delivered to street address) Room/suite 425 N Date Street</td> <td>G Gross receipts \$ 77,516,839</td> </tr> <tr> <td colspan="2">City or town, state or province, country, and ZIP or foreign postal code Escondido, CA, 92025</td> <td></td> </tr> <tr> <td colspan="2">F Name and address of principal officer: NHealthcare 425 N Date Street, Escondido, CA 92025</td> <td> H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" 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) H(c) Group exemption number ▶ </td> </tr> <tr> <td colspan="3">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</td> </tr> <tr> <td colspan="3">J Website: ▶ www.nhcare.org</td> </tr> <tr> <td colspan="2">K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶</td> <td>L Year of formation: 1973 M State of legal domicile: CA</td> </tr> </table>	C Name of organization Neighborhood Healthcare		D Employer identification number 95-2796316	Doing business as		E Telephone number 760-737-6901	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 425 N Date Street		G Gross receipts \$ 77,516,839	City or town, state or province, country, and ZIP or foreign postal code Escondido, CA, 92025			F Name and address of principal officer: NHealthcare 425 N Date Street, Escondido, CA 92025		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" 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) H(c) Group exemption number ▶	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.nhcare.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: 1973 M State of legal domicile: CA
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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.nhcare.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: 1973 M State of legal domicile: CA																							

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: Neighborhood Healthcare is committed to providing quality health care and promoting wellness to everyone in our communities, focusing on those most in need.
	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 12
	4	Number of independent voting members of the governing body (Part VI, line 1b) 4 12
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a) 5 830
	6	Total number of volunteers (estimate if necessary) 6 51
	7a	Total unrelated business revenue from Part VIII, column (C), line 12 7a 159,157
b	Net unrelated business taxable income from Form 990-T, line 38 7b 0	
Revenue	8	Contributions and grants (Part VIII, line 1h) 10,073,046 9,662,214
	9	Program service revenue (Part VIII, line 2g) 56,318,764 67,051,937
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) 389,592 295,273
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 919,467 507,415
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) 67,700,869 77,516,839
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) 50,734,604 55,202,122
	16a	Professional fundraising fees (Part IX, column (A), line 11e) 17,882 0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 186,529
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) 17,225,828 20,141,084
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) 67,978,314 75,343,206
19	Revenue less expenses. Subtract line 18 from line 12 -277,445 2,173,633	
Net Assets or Fund Balances	20	Total assets (Part X, line 16) 57,606,319 62,260,442
	21	Total liabilities (Part X, line 26) 13,266,449 15,135,721
	22	Net assets or fund balances. Subtract line 21 from line 20 44,339,870 47,124,721

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		Date 11/14/19			
	Lisa Daigle, CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Jeremy Ware	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN P00642659
	Firm's name ▶ CHW LLP	Firm's EIN ▶ 47-2771555		Phone no. 559-549-5400	
	Firm's address ▶ 7797 N First Street Suite 15, Fresno, CA 93720				

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:
Neighborhood Healthcare is committed to providing quality health care and promoting wellness to everyone in our communities, focusing on those most in need.
- 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 \$ 60,915,240 including grants of \$ 0) (Revenue \$ 67,051,937)

Neighborhood Healthcare is committed to providing quality health care and promoting wellness to everyone in our communities, focusing on those most in need. For FY2019 we had 306,238 visits and served 68,729 unique patients.

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

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

4d Other program services (Describe in Schedule O.)
 (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses **▶** 60,915,240

Audited Financial Statements

Neighborhood Healthcare

For The Years Ended June 30, 2019 and 2018

Neighborhood Healthcare

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Independent Auditor's Report

Board of Directors
Neighborhood Healthcare
Escondido, California

Report on the Financial Statements

We have audited the accompanying financial statements of Neighborhood Healthcare (the "Center"), which comprise the balance sheets as of June 30, 2019 and 2018 and the related statements of operations and changes in net assets, 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 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 of 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 Neighborhood Healthcare as of June 30, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the Center adopted Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities* for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matters***Supplementary 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 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 October 30, 2019 on our consideration of the 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 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 the Center's internal control over financial reporting and compliance.

CAW. LLP

Fresno, California
October 30, 2019

Neighborhood Healthcare
Balance Sheets
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,148,514	\$ 2,695,281
Investments	13,998,192	16,222,155
Patient accounts receivable, net	5,221,000	4,099,032
Estimated third-party payor settlements	11,552,463	4,616,742
Grants and contracts receivables	418,147	420,167
Inventory	8,022	9,097
Prepaid assets	1,285,158	1,542,103
Total current assets	35,631,496	29,604,577
Property and equipment, net	24,641,074	26,066,933
Board designated endowment	1,987,871	1,934,809
Total assets	<u>\$ 62,260,441</u>	<u>\$ 57,606,319</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,940,065	\$ 2,178,857
Accrued compensation	3,781,940	3,630,645
Deferred revenue	59,962	195,567
Estimated third-party payor settlements	870,130	1,700,693
Long-term debt, current portion	582,074	484,804
Total current liabilities	8,234,171	8,190,566
Long-term debt	6,901,550	5,075,883
Total liabilities	15,135,721	13,266,449
Net Assets:		
Net assets without donor restrictions	47,124,720	44,339,870
Total liabilities and net assets	<u>\$ 62,260,441</u>	<u>\$ 57,606,319</u>

See accompanying Notes to the Financial Statements

Neighborhood Healthcare
Statements of Operations and Changes in Net Assets
For the years ended June 30, 2019 and 2018

	2019	2018
Change in net assets without donor restrictions		
Revenues and other support:		
Patient service revenue, net	\$ 54,687,310	\$ 44,670,205
Provision for bad debts	(3,217)	(4,692)
Net patient service revenues less provision for bad debts	54,684,093	44,665,513
Capitation revenue	12,367,844	11,653,251
Grant revenue	9,624,909	9,585,041
Contributions	37,305	488,005
Other	802,688	1,309,059
Total revenue and other support	77,516,839	67,700,869
Expenses:		
Salaries & wages	45,820,173	41,976,546
Employee benefits	9,381,951	8,758,058
Contractual services	7,292,075	5,034,970
Supplies	3,692,381	3,749,027
Communications	466,474	334,319
Travel, conferences and meetings	401,520	422,426
Equipment costs	2,587,330	2,842,276
Facilities	2,390,104	2,396,620
Insurance	176,497	164,567
Depreciation and amortization	1,318,779	1,129,893
Interest	282,770	228,064
Other	1,533,154	941,548
Total expenses	75,343,208	67,978,314
Excess (deficit) of revenues over expenses	2,173,631	(277,445)
Net unrealized gains	611,219	963,018
Increase in net assets without donor restrictions	2,784,850	685,573
Net Assets:		
Beginning of year	44,339,870	43,654,297
End of year	\$ 47,124,720	\$ 44,339,870

See accompanying Notes to the Financial Statements

Neighborhood Healthcare
Statements of Cash Flows
For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,784,850	\$ 685,573
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,318,779	1,129,893
Unrealized gains	(611,219)	(963,018)
Changes in operating assets and liabilities:		
Patient accounts receivable	(1,121,968)	(65,993)
Grants and contracts receivables	2,020	132,872
Estimated third-party payor settlements	(7,766,284)	(3,614,873)
Inventories	1,075	3,217
Prepaid assets	256,945	(57,550)
Accounts payable	761,208	730,620
Accrued compensation	151,295	339,769
Deferred revenue	(135,605)	(765,835)
Net cash used in operating activities	<u>(4,358,904)</u>	<u>(2,445,325)</u>
Cash flows from investing activities:		
Purchase of investments	(7,417,516)	(2,313,722)
Maturity/sale of investments	10,252,698	9,841,377
Change in board designated endowment	(53,062)	(90,714)
Acquisition of property and equipment	107,080	(4,881,552)
Net cash provided by investing activities	<u>2,889,200</u>	<u>2,555,389</u>
Cash flows from financing activities:		
Proceeds from new debt	2,500,000	-
Principal payments on long-term debt	(577,063)	(543,412)
Net cash provided by (used in) financing activities	<u>1,922,937</u>	<u>(543,412)</u>
Net increase (decrease) in cash and cash equivalents	<u>453,233</u>	<u>(433,348)</u>
Cash at beginning of year:	<u>2,695,281</u>	<u>3,128,629</u>
Cash at end of year:	<u><u>\$ 3,148,514</u></u>	<u><u>\$ 2,695,281</u></u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 282,770</u>	<u>\$ 228,064</u>

See accompanying Notes to the Financial Statements

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note A: Organization and Operations

Neighborhood Healthcare (the “Center”), a nonprofit organization operates healthcare facilities at sites in San Diego and Riverside Counties. Neighborhood Healthcare provides a variety of medical, dental, mental health, chiropractor, retinal screening, and health education services providing low-cost, high quality, comprehensive primary care services to residents of San Diego and Riverside Counties.

Neighborhood Healthcare derives its support through grants and contracts with the U.S. Department of Health and Human Services, the State of California, the County of San Diego, and various other entities. Additionally, revenues are derived from patient fees and third party charges.

Note B: Summary of Significant Accounting Policies

Cash and Cash Equivalents:

For purposes of the statement of cash flows, Neighborhood Healthcare considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The savings and checking accounts are on deposit with various financial institutions. As of June 30, 2019 and 2018 the carrying amount of all the accounts, net of outstanding checks, were \$3,148,514 and \$2,695,281, respectively. Per the various financial institutions as of June 30, 2019 and 2018, approximately \$250,000 and \$250,000, respectively was covered by federal depository insurance.

Accounts Receivable:

Accounts receivable are recorded at gross value along with a corresponding allowance for doubtful accounts. Allowance accounts are estimated for each type of receivable based on Neighborhood Healthcare’s experience in collecting those receivables.

Third-Party Contractual Agreements:

Neighborhood Healthcare has agreements with Medicare and Medi-Cal that provide payments under Prospective Payment Systems (“PPS”). Medicare payment under the FQHC PPS are 80% of the lesser of the health center’s actual charge or the applicable PPS rate (patient coinsurance will be 20% of the lesser of the health center’s actual charge or the applicable PPS rate). In the case of Medi-Cal, payments are final, unless the number of reimbursable visits is changed as a result of an audit by the State of California, Department of Health Services.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Management believes these estimates are reasonable.

Inventories:

Inventories consist of pharmaceutical supplies and are stated at cost. Due to rapid turnover of supplies, cost approximates market value.

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note B: Summary of Significant Accounting Policies (continued)

Property, Building and Equipment:

Land, building and equipment are carried at cost or estimated fair value at date of acquisition. The Center capitalizes all acquisitions greater than \$5,000. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets ranging from three to thirty-nine years. Leasehold improvements are amortized on a straight-line method over the estimated useful life of the improvement or the term of the lease, whichever is less. Construction-in-progress is recorded at cost and is capitalized upon completion. Depreciation is recorded when construction is substantially complete and the assets are placed in service.

Donor Restricted Net Assets:

Contributions, including government grants and contracts, are recorded as donor restricted if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restrictions ends or purpose restriction is accomplished, donor restricted assets are reclassified to unrestricted net assets and reported in the statement of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as unrestricted revenue.

Income Taxes:

Neighborhood Healthcare is a private not-for-profit corporation organized under the laws of the State of California. The Center has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the State of California Revenue and Taxation Code by the IRS and Franchise Tax Board, respectively. Accordingly, no provision for income taxes is included in the accompanying financial statements. Neighborhood Healthcare's returns are subject to examination by federal and state taxing authorities generally for three years after they are filed.

Revenue Recognition:

Patient service revenue is recorded at Neighborhood Healthcare's established rates adjusted for sliding fee scale discounts, provisions for uncollectible accounts and third-party contractual allowances to arrive at net service revenue. Revenue from government grants and contracts restricted for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. Grants and contracts awarded for the acquisition of long-lived assets are reported as unrestricted non-operating revenue, in absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as deferred revenue.

Subsequent Events:

The Center has evaluated all events and transactions that occurred after June 30, 2019, and through October 30, 2019, the date of the financial statements and notes to financial statement were available to be issued. During this period no events or transactions occurred that would require adjustments of the financial statements or disclosure in the accompanying notes.

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note B: Summary of Significant Accounting Policies (continued)

Excess of Revenues over Expenses:

The statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets.

Recently Adopted Accounting Pronouncement:

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities* regarding the reporting and disclosure requirements for not-for-profit organizations, effective for periods beginning after December 15, 2017. The pronouncement replaces the three classes of net assets with two new classes, requires the reporting of expenses by function and natural classification, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. The Center has adopted this new pronouncement for the year ended June 30, 2019 and the prior year presentation is conformed except where not required.

Note C: Fair Value of Financial Assets

Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures*, requires the fair value of financial assets and liabilities to be determined using a specific fair-value hierarchy. The objective of the fair value measurement of financial instruments is to reflect the hypothetical amounts at which the Center could sell assets or transfer liabilities in an orderly transaction between market participants at the measurement date. FASB ASC 820 describes three levels of inputs that may be used to measure fair value: Level 1 is quoted prices in active markets for identical assets; Level 2 is observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets; Level 3 is unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. The following table presents financial instruments measured at fair value on a recurring basis in accordance with FASB ASC 820 as of June 30, 2019 and 2018:

	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
June 30, 2019:				
Mutual funds	\$ 15,193,455	\$ -	\$ 15,193,455	\$ -
Exchange traded funds	780,732	-	780,732	-
Total	<u>\$ 15,974,187</u>	<u>\$ -</u>	<u>\$ 15,974,187</u>	<u>\$ -</u>
June 30, 2018:				
Mutual funds	\$ 12,402,927	\$ -	\$ 12,402,927	\$ -
Exchange traded funds	2,976,364	-	2,976,364	-
Total	<u>\$ 15,379,291</u>	<u>\$ -</u>	<u>\$ 15,379,291</u>	<u>\$ -</u>

The carrying amounts reported in the balance sheets for other financial assets and liabilities that are not measured at fair value on a recurring basis including patient accounts receivable, grant and contract receivables, estimated third party payor settlements, accounts payable and accrued expenses, accrued compensation, deferred revenue, and long term debt approximate fair value.

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note D: Grants and Contracts Receivable

Grants and contract receivables are comprised of grants from federal, state, county and other granting agencies. At June 30, 2019 and 2018 the grants and contracts receivable were \$418,147 and \$420,167, respectively.

Note E Patient Accounts Receivable, Net

Net patient accounts receivable are comprised of the following payors at June 30, 2019 and 2018:

	2019	2018
Medi-Cal	\$ 3,854,034	\$ 2,921,836
Medicare	256,607	162,591
Other third-party payors	1,053,778	977,100
Private Pay	56,581	37,505
Total patient accounts receivable, net	<u>\$ 5,221,000</u>	<u>\$ 4,099,032</u>

Note F: Property and Equipment

Land, building and equipment at June 30, 2019 and 2018 was comprised of the following:

	2019	2018
Land & buildings	\$ 32,756,796	\$32,330,664
Equipment	1,842,266	1,739,600
Construction in progress	69,009	704,887
Subtotal	34,668,071	34,775,151
Accumulated depreciation	(10,026,997)	(8,708,218)
Total	<u>\$ 24,641,074</u>	<u>\$26,066,933</u>

Construction in progress at June 30, 2019 and 2018 consisted primarily of various solar projects and the construction of the Poway clinic. Depreciation expense for the years ended June 30, 2019 and 2018 was \$1,318,779 and \$1,129,893, respectively.

Note G: Accrued Compensation

The balance of accrued compensation at June 30, 2019 and 2018 was comprised of the following:

	2019	2018
Accrued payroll	\$ 1,301,130	\$ 1,201,655
Accrued paid time off	1,738,903	1,670,436
Accrued other payroll liabilities	741,907	758,554
Total	<u>\$ 3,781,940</u>	<u>\$ 3,630,645</u>

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note H: Net Patient Revenue

Neighborhood Healthcare has agreements with third-party payors that provide payments to Neighborhood Healthcare at amounts different from its established rates. A summary of the payment agreements with third party payors follows:

Medicare:

Covered services rendered to Medicare program beneficiaries are paid based on a prospective payment system (PPS). Medicare payment under the FQHC PPS are 80% of the lesser of the health center's actual charge or the applicable PPS rate (patient coinsurance will be 20% of the lesser of the health center's actual charge or the applicable PPS rate). Accordingly, to the extent a health center's charge is below the applicable PPS rate, Medicare FQHC reimbursement can be limited.

Medi-Cal:

Medical and dental services rendered to Medi-Cal beneficiaries are paid under the Prospective Payment System (PPS) using rates established by Neighborhood Healthcare's "Base Year" cost report filed under the previous cost based reimbursement system. These rates are adjusted annually according to changes in the Medicare Economic Index and any approved changes in Neighborhood Healthcare's scope of service.

Other:

Payments for services rendered to those payors other than Medicare or Medi-Cal are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

Note I: Concentration of Credit Risk

Financial instruments potentially subjecting the Center to concentrations of credit risk consist primarily of bank deposits in excess of FDIC limits. Management believes, however, that the risk of loss is minimal due to the high financial quality of the banks. Credit risk related to patient receivables arises from the granting of credit without collateral to patients, most of whom are residents of San Diego County in the State of California. The mix of accounts receivables from patients and third-party payors was as follows:

Payor Class	2019	2018
Medi-Cal	74%	71%
Medicare	5%	4%
Other third-party payors	20%	24%
Private pay patients	1%	1%
Total	100%	100%

For the year ended June 30, 2019 and 2018, the Center received \$6,763,447 and \$6,621,888, respectively, in Community Health Center grants from the Department of Health and Human Services, which represents 9% and 10% of the total revenue received.

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note J: Donated Services and Facilities

Donated services are those services that have been received, valued and recorded. It is the policy of Neighborhood Healthcare to encourage contributions from the residents of the greater San Diego and Riverside County areas. Donated services and facilities are valued at prevailing market rates. Certain immaterial services and facilities contributed to Neighborhood Healthcare have not been valued or recorded.

Note K: Sliding Fee Scale Discounts

As described in Note B, Neighborhood Healthcare records sliding fee discounts as a contra-revenue account. The amount of sliding fee discounts for the years ended June 30, 2019 and 2018 was approximately \$2,781,411 and \$1,483,570, respectively.

Note L: Commitments and Contingencies

Federal and state contracts and other requirements:

The Center receives grants and contracts which require fulfillment of certain conditions as set forth in the terms of the grant agreement and are subject to audit and adjustment upon review by the granting agencies. Failure to comply with the conditions of the grants could result in the return of funds to the granting agencies. The amounts, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although management believes that it has complied with conditions of its grants and contracts it expects they will not have a significant effect on the Center's financial position.

Contingencies:

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the Center is subject to similar regulatory reviews, there are no reviews currently underway, and management believes that the outcome of any potential regulatory review will not have a material adverse effect on the Center's financial position.

Medical Malpractice Claims:

Neighborhood Healthcare is deemed an employee of the federal government and is covered for malpractice insurance under the Federal Tort Claims Act ("FTCA"). Neighborhood Healthcare also has supplemental Professional Liability coverage for individual claims up to \$1,000,000 and aggregate annual claims up to \$3,000,000.

The Center has on-going litigation claims as result of its normal course of operations; however, in the opinion of management, these claims will be fully covered by the Center's insurance coverage and will not have a material adverse effect upon the financial statements.

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note M: Long-term Debt

Long-term debt consists of the following at June 30, 2019 and 2018:

	2019	2018
California Health Facilities Financing Authority (CHFFA) (Help II Program) in the amount of \$450,000 at a 3.0% interest rate, with monthly payments of \$3,108, maturing in 2022 and is secured with the Center's assets.	\$ 115,339	\$ 148,626
City National Bank loan agreement in the amount of \$2,279,056 at 3.85% interest rate, with monthly payments of \$16,773.76, maturing in 2029 and is secured with the Center's assets.	1,675,940	1,808,556
City National Bank loan agreement in the amount of \$239,364 at 3.5% interest rate, with monthly payments of \$4,365.32, maturing in 2018 and is secured with the Center's assets.	4,454	55,665
Union Bank of California loan in the amount of \$1,281,000 at a 4.45% interest rate, with monthly payments of \$9,767, maturing in 2026 and is secured with the Center's assets.	689,481	773,951
City National Bank loan for \$2,500,000 at 3.98% interest rate per annum is payable in monthly installments of \$18,539 which includes principal and interest and matures in September of 2033 and is secured with the Center's real property.	2,407,401	-
California Bank & Trust loan for \$1,325,000 at 3.85% interest rate per annum. The loan is payable in 180 monthly installments of \$9,739, which includes principal and interest and matures April 7, 2030. The loan is secured with the Center's real property.	1,030,603	1,105,647
City National Bank loan for \$1,928,000 at 3.67% interest rate per annum is payable in monthly installments of \$13,995 which includes principal and interest and matures on November 1, 2030 and is secured with the Center's assets.	1,560,407	1,668,243
Total long-term debt	7,483,624	5,560,687
Less: current portion	(582,074)	(484,804)
	<u>\$ 6,901,550</u>	<u>\$5,075,883</u>

Neighborhood Healthcare has a line-of-credit with a local bank in the amount of \$2,000,000. The interest rate is the bank's reference rate (prime) plus a margin. The line-of-credit matures April 2, 2020. The Center has a line-of-credit with an investment firm collateralized by investments. This line has an interest rate ranging from the Wall Street Journal prime rate plus 2.00% to that prime rate minus .50% based on the size of the margin loan. The outstanding balances were \$0 for both lines as of both June 30, 2019 and 2018.

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note M: Long-term Debt (continued)

Future principal and interest payments are as follows for the years ended June 30:

Year	Principal	Interest	Total
2020	\$ 582,074	\$ 285,344	\$ 867,418
2021	601,530	261,536	863,066
2022	625,592	237,474	863,066
2023	622,373	212,725	835,098
2024	637,624	188,151	825,775
Thereafter	4,414,431	641,619	5,056,050
Total	<u>\$ 7,483,624</u>	<u>\$ 1,826,849</u>	<u>\$ 9,310,473</u>

Note N: Deferred Revenue

Deferred revenue consisted of the following at June 30, 2019 and 2018:

	2019	2018
Archstone	\$ -	\$ 135,000
Kaiser	3,278	3,818
Telehealth	31,230	36,058
Other	25,454	20,691
Total	<u>\$ 59,962</u>	<u>\$ 195,567</u>

Note O: Lease Commitments

Neighborhood Healthcare has commitments under operating lease agreements that range in termination dates through 2023. Total lease expense for the years ended June 30, 2019 and 2018 was \$948,477 and \$840,526, respectively. Following are the lease commitments based on agreements in place at June 30, 2019:

Year Ending	Lease Payment
2020	\$ 746,637
2021	\$ 732,057
2022	\$ 253,467
2023	\$ 110,165

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note P: Retirement Plans

The Center maintains a defined contribution pension plan for substantially all of its employees who have met specified age and service requirements; and a 457(b) Plan pursuant to Section 457(b) of the Internal Revenue Code of 1986, as amended. The purpose of the Plan is to provide deferred compensation payments for designated long-term employees. The accounts are held entirely in the names of the participants without direction from Neighborhood Healthcare for any of their activities. Contributions to the plans are discretionary. For the years ended June 30, 2019 and 2018, the Center recognized expenses relating to these plans of approximately \$1,274,278 and \$1,201,266, respectively.

Note Q: Board Designated Endowment and Investments

Board designated endowment are assets designated by the board of directors. As such, these funds are unrestricted, and include mutual funds and are stated at their fair market value at June 30, 2019 and 2018. Board designated endowment at June 30, 2019 and 2018 are \$1,987,871 and \$1,934,809, respectively.

Board designated endowment and investments include the following at June 30, 2019 and 2018.

	2019	2018
Cash & money market	\$ 11,877	\$ 2,777,673
Mutual funds	15,193,455	12,402,927
Exchange traded funds	780,732	2,976,364
Total	<u>\$ 15,986,064</u>	<u>\$ 18,156,964</u>

Income for board designated endowment and investments are primarily comprised of interest and dividend income, which amounted to \$295,273 and \$389,593 for the years ended June 30, 2019 and 2018, respectively. The Center had unrealized gains in the amount of \$611,219 and \$963,018 for the years ended June 30, 2019 and 2018, respectively.

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note R: Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Expenses for the year ended June 30, 2019 include:

	Program Services	Fund Raising	General & Administration	Total
Salaries & wages	\$37,249,375	\$ 113,270	\$ 8,457,528	\$ 45,820,173
Employee benefits	7,701,304	19,574	1,661,073	9,381,951
Contractual services	6,602,183	250	689,642	7,292,075
Supplies	3,615,792	9,483	67,106	3,692,381
Communications	306,924	1,845	157,705	466,474
Travel	148,765	1,998	250,757	401,520
Equipment costs	1,528,504	13,822	1,045,004	2,587,330
Facilities	1,798,241	702	591,161	2,390,104
Insurance	129,251	100	47,146	176,497
Depreciation and amortization	1,091,705	-	227,074	1,318,779
Interest	267,346	-	15,424	282,770
Other	475,851	25,485	1,031,818	1,533,154
Total expenses	\$60,915,241	\$ 186,529	\$ 14,241,438	\$ 75,343,208

Expenses for the year ended June 30, 2018 include:

	Program Services	Fund Raising	General & Administration	Total
Salaries & wages	\$34,412,880	\$ 106,919	\$ 7,456,747	\$ 41,976,546
Employee benefits	7,211,385	21,873	1,524,800	8,758,058
Contractual services	4,566,632	21,256	447,082	5,034,970
Supplies	3,635,101	6,067	107,859	3,749,027
Communications	233,164	735	100,420	334,319
Travel	182,623	357	239,446	422,426
Equipment costs	1,852,327	27,932	962,017	2,842,276
Facilities	1,747,573	4,042	645,005	2,396,620
Insurance	120,449	90	44,028	164,567
Depreciation and amortization	944,120	-	185,773	1,129,893
Interest	210,546	-	17,518	228,064
Other	437,468	107,029	397,051	941,548
Total expenses	\$55,554,268	\$ 296,300	\$ 12,127,746	\$ 67,978,314

Neighborhood Healthcare
Notes to the Financial Statements
For the years ended June 30, 2019 and 2018

Note S: Information Regarding Liquidity and Availability of Resources

The Center regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Center has various sources of liquidity at its disposal, including cash and cash equivalents, investments, various receivables, and a line of credit. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing activities of providing healthcare-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The Center strives to maintain liquid financial assets sufficient to cover 30 days of general expenditures. The following table reflects the Center's financial assets as of June 30, 2019, reduced by amounts that are not available to meet general expenditures within one year of the balance sheet date.

Cash and cash equivalents	\$ 3,148,514
Investments	13,998,192
Patient accounts receivable	5,221,000
Grant receivable	418,147
Estimated third-party payor settlements	11,552,463
Board designated endowment	1,987,871
Total financial assets	<u>36,326,187</u>
Estimated third-party payor settlements	(8,445,376)
Board designated endowment	(1,987,871)
Deferred revenue	(59,962)
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 25,832,978</u></u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Center operates with a balanced budget and anticipates collecting sufficient patient service revenue to cover general expenditures not covered by grants or donor-restricted resources. The Center also has a line of credit available to meet short-term needs. See note M for information about this arrangement.

SINGLE AUDIT REPORTS

**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**

Independent Auditor's Report

Board of Directors
Neighborhood Healthcare
Escondido, California

We have audited, 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, the financial statements of Neighborhood Healthcare (the "Center"), which comprise the balance sheets as of June 30, 2019 and 2018 and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Neighborhood Healthcare 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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Center'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 Neighborhood Healthcare 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CAW. LLP

Fresno, California
October 30, 2019

**Report on Compliance For Each Major Federal Program
And Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Directors
Neighborhood Healthcare
Escondido, California

Report on Compliance for Each Major Federal Program

We have audited Neighborhood Healthcare (the "Center") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2019. The Center'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 federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the 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 the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Neighborhood Healthcare complied, in all material respects, with the 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 Neighborhood Healthcare 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 the 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 the 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 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.

CAN. LLP

Fresno California
October 30, 2019

**Neighborhood Healthcare
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019**

Federal Grant / Program Title	CFDA Number	Pass-Through Identification Number	Expenditures
U.S. Department of Health and Human Services, Public Health Services:			
<u>Direct Programs:</u>			
Community Health Center Cluster, Section 330	*93.224	N/A	\$ 6,763,447
Total Direct Programs			<u>6,763,447</u>
<u>Passed Through:</u>			
<i>California Department of Public Health: Colon Cancer Control Program</i>	93.800	15-10715	166,615
<i>Essential Access Health: Title X – Family Planning Program</i>	93.217	2686-5320- 71209-15	236,143
Subtotal			<u>402,758</u>
Total federal financial assistance			<u><u>\$ 7,166,205</u></u>

* Denotes major program

Neighborhood Healthcare
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) summarizes the expenditures of Neighborhood Healthcare (the “Center”) under 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 the Center, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows for the Center.

Note B: 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Center elected not to use the de minimis cost rate because it has a negotiated indirect cost rate in place.

Neighborhood Healthcare
Schedule of Findings and Questioned Costs
For the year ended June 30, 2019

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified	
Internal Control over financial reporting: Material weakness identified?	_____ yes	___X___ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes	___X___ None Reported
Noncompliance material to financial statements noted?	_____ yes	___X___ no

Federal Awards

Internal control over major programs: Material weakness identified?	_____ yes	___X___ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes	___X___ 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	___X___ no
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Major Programs

	<u>CFDA Number</u>
Community Health Center Cluster, Section 330	93.224
Dollar threshold used to distinguish Types A and B programs	\$ 750,000
Auditee qualified as low-risk auditee?	___X___ yes _____ no

**Neighborhood Healthcare
Schedule of Findings and Questioned Costs
For the year ended June 30, 2019**

II. Financial Statement Findings - No matters are reportable

III. Federal Award Findings - No matters are reportable

Prior Year Findings - None



October 5, 2020

Grant Funding Committee
San Marcos Community Foundation
1 Civic Center Drive
San Marcos, CA 92069

RE: San Marcos Community Foundation Grant Application

To Whom It May Concern:

Health Center Partners of Southern California (HCP) is pleased to provide this letter of support for Neighborhood Healthcare and its grant application to the San Marcos Community Foundation. This grant funding will allow Neighborhood Healthcare to enhance security operations and emergency response in and around its Escondido health center campus by equipping its security teams with two-way radios.

HCP is a regional consortium consisting of 16- member organizations, operating 160 practice sites in San Diego, Imperial and Riverside Counties. It is the convener of a regional Emergency Preparedness and Response Peer Network which provides training and technical assistance to member health centers. Neighborhood Healthcare is a member of both the consortium and the Emergency Response Peer Network, and HCP strongly supports its continued efforts to provide a safe environment for its patients and staff.

Neighborhood Healthcare has a proven track record of providing high-quality, patient-centered health care services, and HCP can attest to the positive impact that this security enhancement will have on the Neighborhood Healthcare community. The security team at the Neighborhood Healthcare Escondido Health Centers plays a vital role in its community. They serve as the frontline support to ensure the safety of medical staff and patients, manage transfer of patients who need critical care, and help to ensure COVID-19 guidelines are followed.

For these reasons, HCP supports Neighborhood Healthcare's application for security funding under this opportunity. I appreciate your consideration and support of this effort to enhance the safety and security of quality medical services provided to this local underserved and low-income population.

Sincerely,

A handwritten signature in blue ink, reading "Henry N. Tuttle".

Henry N. Tuttle
President and Chief Executive Officer



SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page

(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: Distance Learning Hub Support	Total # of people served: 88 youth Total # of San Marcos residents served: 88 youth	Amount Requested: \$10,000
Date Submitted: October 6, 2020		

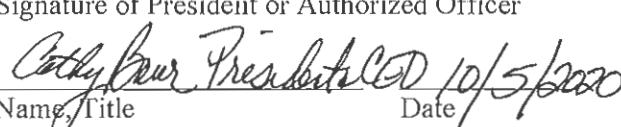
Non-Profit Organization Name and Address, Website	Contact Person – Name, Title & Phone, email
Boys & Girls Club of San Marcos 1 Positive Place, San Marcos, CA 92069 www.boysgirlclubsm.org	Cathy Baur, President & CEO cathy@boysgirlclubsm.org (760) 471-2490 ext. 303

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

The Boys & Girls Club of San Marcos is seeking funding to continue offering daily remote school support through our Distance Learning Hub. In an effort to best support youth and families in our San Marcos community, the Club is open Monday through Friday from 7AM-6PM. The Club has currently aligned all of its policies and procedures with CDC guidelines to ensure maximum safety with respect to COVID-19; however, with that, our staff to youth ratios have decreased and our need for materials, enhanced cleaning, and staffing capacity have increased to 3x the usual rate. The Club is seeking funding to keep our doors open and expand capacity to ensure families in our community continue to have this essential childcare and academic support service.

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

The Boys & Girls Club of San Marcos is currently the **only** program in San Marcos offering full day academic and educational support to meet the growing needs of San Marcos youth. Not only do youth receive support with their online courses, but through having our doors open Monday – Friday from 7AM-6PM, we serve as a huge support to our communities working parents, who otherwise would not have a childcare option as they continue to work.

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: Ongoing Date by which funds will be expended: 12/31/2020
	Signature of President or Authorized Officer  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): jcadima@san-marcos.net

Narrative Proposal

The Boys & Girls Club of San Marcos (BGCSM) is grateful to continue its strong partnership with the San Marcos Unified School District (SMUSD) and is committed to providing support by any means possible to ensure connectivity and academic growth for students. BGCSM is currently providing daily Distance Learning support at reduced capacity for 88 youth with current members served ranging in grade from 1st to 12th grade. The Club remains open Monday through Friday between the hours of 7AM and 6PM and is currently the only program offering Distance Learning support as well as childcare to meet the increasing needs of our working San Marcos families.

While the Club is proud to provide a safe, supportive and educational space for 88 youth, we recognize the dire need to provide greater support. As we know, the San Marcos community is filled with resilient and hard-working families, many of whom don't have the flexibility to work from home or take time off of work to support their school-age kids. Parents and guardians continue to reach out to us for support with childcare and distance learning support, and the waitlist for our Clubhouse continues to grow. As an organization, our mission is to support youth who need us most, and often those youth come from the more low-income, underserved pockets of San Marcos. While we typically offer scholarships to families on a need-based scale of 25%, 50% or 75%, the expansion of our operating hours, reduced ratios, staffing costs and cleaning procedures have resulted in an operating loss of over \$5,000 per month and have made it impossible to provide scholarships our community needs.

As an organization, the cost of keeping our doors open has tripled due to safety measures put in place to prevent the spread of COVID-19. We have implemented enhanced daily cleaning procedures, including the addition of four new "Floater Staff" positions, to serve as safety and cleanliness support providing hourly cleaning of high touch areas. In addition to our enhanced cleaning routine, we have integrated daily health screenings, temperature checks, and reduced building capacity to ensure an 11:1 youth to staff ratio (half our typical program ratio). We have also limited the rotation of members between program spaces and consistently schedule staff in the same program area to reduce chance of cross contamination. Each of these safety measures were implemented with our staff, members and families safety and health in mind.

In addition to providing a safe physical space for our members, we have integrated social and emotional wellness support into their weekly Club programming under the director of our full-time Director of Member Impact, who holds a Master in Social Work degree. Wellness programming provides our members with one-on-one or small group support to process feelings and emotions, encourage healthy coping and connection, and combat isolationism. Members are encouraged to build their capacity for self-esteem, trust and healthy relationship building. As our district continues to plan toward school reopening, our wellness programming provides a safe space for members to voice their concerns, fears or just share challenges with adapting to a new model of hybrid learning, with some days on campus and some days remote.

As a Distance Learning Hub, we are in constant communication with SMUSD principals, faculty, social workers and teachers to better adapt our support to meet the needs and expectations of each school in the district. Ms. Julie Blide, Assistant Principal at San Marcos

Elementary, has offered the below quote in support of our work: *"BGC staff and even Branch Director are in direct communication with our teachers and admin to help best support our students. They walk over to pick up materials, troubleshoot technical issues, and discuss ways to better assist students who are struggling. Without them, many students would be home alone (likely not online) or parents would have to stay home causing additional financial hardship. The Boys & Girls Club have been invaluable partners in supporting our school and students, especially during Distance Learning."*

While the need and demand are great for the services provided by the BGCSM Distance Learning Hub, we have been limited by space and funding. Through an innovative partnership with North City and California State University San Marcos, BGCSM has the opportunity to open an additional Distance Learning Hub in unoccupied classroom space at The QUAD. This new space will allow us to serve 30-40 additional youth between 7AM and 6PM. In order to make this critical resource available to our community, additional funding is needed. A grant from the San Marcos Community Foundation would provide the necessary funding to help launch this Distance Learning Hub. COVID-19 has already placed an immense strain on our organization's finances and daily operating costs; however, despite all obstacles, we continue to push the boundaries of possibility in order to best meet the increasing needs of our families and community. We are a critical community partner providing students and families the support and resources needed to navigate the digital learning space. BGCSM would be grateful for fiscal support to offset our growing operating costs as we pursue new endeavors to support youth academically, physically, socially and emotionally.

SAN MARCOS COMMUNITY FOUNDATION
Budget Worksheet
Boys & Girls Club of San Marcos QUAD Distance Learning Hub Expansion

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

Staff Recruiting _____	\$ 200.00 _____
Part-Time AM Staff Wages – 5 Staff @ \$13.00 for 5.5 Hours/Day _____	\$ 8580.00 _____
Part-Time PM Staff Wages – 5 Staff @ \$13.00 for 5.5 Hours/Day _____	\$ 8580.00 _____
Payroll Taxes for 10 Staff @ \$13.00 for 5.5Hours/Day _____	\$ 1656.99 _____
JaniExpress – Cleaning 5 Days a week for 1.0 Hour/Day _____	\$ 600.00 _____
Program Supplies –Art, STEAM, Gamesroom for 30 Students for 2 months _____	\$ 750.00 _____
PPE – Supplies for Staff and Members for 2 months _____	\$ 600.00 _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total budget for this PROJECT:	\$ 20,966.99
---------------------------------------	---------------------

Grant Request Amonnt:	\$ 10,000.00
<i>(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)</i>	

Is this a challenge grant?	Could it be?
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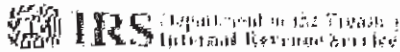
Please list any other funding sources for this project.

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

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

2020-2021 Budget

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	2020-2021 Totals
Income:													
Contributions													\$
Corporate	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 7,000.00	\$ 7,000.00	\$ 85,000.00
Individual	\$ 10,800.00	\$ 8,800.00	\$ 8,800.00	\$ 7,000.00	\$ 11,300.00	\$ 28,000.00	\$ 6,800.00	\$ 23,800.00	\$ 13,800.00	\$ 6,800.00	\$ 6,700.00	\$ 12,400.00	\$ 145,000.00
Grants/Foundations:													
ASES	\$ 30,000.00	\$ 40,000.00	\$ 70,000.00	\$ 85,000.00	\$ 70,000.00	\$ 60,000.00	\$ 60,000.00	\$ 72,500.00	\$ 72,500.00	\$ 85,000.00	\$ 72,500.00	\$ 85,897.00	\$ 803,397.00
CC	\$ -	\$ 1,700.00	\$ 2,369.00	\$ 2,369.00	\$ 2,369.00	\$ 2,269.00	\$ 2,269.00	\$ 2,269.00	\$ 2,269.00	\$ 2,269.00	\$ 2,269.00	\$ 1,769.00	\$ 24,190.00
HTH	\$ 4,500.00	\$ 8,250.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 8,250.00	\$ 129,000.00
DJP	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 54,000.00
Grants/Foundations	\$ 15,000.00	\$ -	\$ -	\$ 67,955.00	\$ 10,000.00	\$ 57,000.00	\$ 113,500.00	\$ -	\$ 93,000.00	\$ -	\$ -	\$ -	\$ 851,455.00
Fee Based													
DPS	\$ -	\$ 5,040.00	\$ 10,080.00	\$ 10,080.00	\$ 7,560.00	\$ 7,560.00	\$ 7,560.00	\$ 10,080.00	\$ 10,080.00	\$ 7,560.00	\$ 10,080.00	\$ 5,040.00	\$ 90,720.00
SEMS	\$ -	\$ 3,360.00	\$ 6,720.00	\$ 6,720.00	\$ 5,040.00	\$ 5,040.00	\$ 5,040.00	\$ 6,720.00	\$ 6,720.00	\$ 5,040.00	\$ 6,720.00	\$ 3,360.00	\$ 60,480.00
ILB:													
Day Camps	\$ 21,000.00	\$ 10,500.00	\$ -	\$ -	\$ 5,250.00	\$ 10,500.00	\$ 5,250.00	\$ 2,500.00	\$ -	\$ 10,500.00	\$ -	\$ 15,750.00	\$ 81,250.00
Memberships	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00
Transportation	\$ -	\$ 2,187.50	\$ 4,375.00	\$ 4,375.00	\$ 4,375.00	\$ 4,375.00	\$ 4,375.00	\$ 4,375.00	\$ 4,375.00	\$ 4,375.00	\$ 4,375.00	\$ 2,187.50	\$ 43,750.00
Club T-Shirts													
Give to Great Futures													
Baypoint Workspace Rental													
Special Events:													
Gala			\$ 100,000.00							\$ 200,000.00			\$ 200,000.00
Golf													\$ 100,000.00
AAF						\$ 10,000.00							\$ 10,000.00
HHC						\$ 10,000.00							\$ 10,000.00
Reverse Trick-or-Treat				\$ 5,000.00									\$ 5,000.00
Kids Fundraisers										\$ 15,000.00			\$ 15,000.00
Reimbursed Expenses													
Other													
Total Income	\$ 134,900.00	\$ 93,437.50	\$ 227,944.00	\$ 272,054.00	\$ 151,494.00	\$ 277,344.00	\$ 339,894.00	\$ 149,844.00	\$ 317,344.00	\$ 343,144.00	\$ 139,144.00	\$ 144,153.50	\$ 2,233,242.00
Expenses:													
Employee													
Administrative	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00
Benefits	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 96,000.00
Recruiting	\$ 20,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 31,000.00
ASES Wages	\$ -	\$ 28,935.54	\$ 57,871.08	\$ 66,806.62	\$ 48,521.08	\$ 48,521.08	\$ 50,585.08	\$ 60,739.08	\$ 60,739.08	\$ 77,702.62	\$ 60,739.08	\$ 30,369.54	\$ 611,529.88
Full Time Wages	\$ 59,876.91	\$ 41,061.53	\$ 30,425.87	\$ 57,279.73	\$ 39,725.56	\$ 39,725.56	\$ 39,725.56	\$ 39,725.56	\$ 39,725.56	\$ 57,279.73	\$ 39,725.56	\$ 50,369.22	\$ 534,646.35
Part Time Wages	\$ 19,638.00	\$ 19,638.00	\$ 35,534.00	\$ 54,801.00	\$ 31,294.50	\$ 31,294.50	\$ 33,165.00	\$ 42,416.00	\$ 42,416.00	\$ 46,081.00	\$ 42,416.00	\$ 50,696.43	\$ 450,390.43
PR Taxes	\$ 7,883.01	\$ 6,857.08	\$ 9,549.57	\$ 15,214.88	\$ 9,144.90	\$ 9,144.90	\$ 9,445.89	\$ 10,930.37	\$ 10,930.37	\$ 13,851.35	\$ 10,930.37	\$ 10,054.79	\$ 123,937.47
UI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
WC Ins	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ -	\$ -	\$ -	\$ 37,800.00
Tish Murry	\$ 23,531.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,531.03
Temporary Contract Labor													
Total Employee Expenses	\$ 144,128.95	\$ 110,692.15	\$ 148,580.52	\$ 228,302.23	\$ 142,886.04	\$ 142,886.04	\$ 149,621.53	\$ 168,011.01	\$ 168,011.01	\$ 204,914.70	\$ 163,811.01	\$ 151,489.98	\$ 1,923,335.16
Operations Expenses:													
Auto	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 7,200.00
Bank & Merch Fees	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00
Dues & Subscriptions	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00
Equipment Rental	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00
Licenses and Permits													
Insurance - Utility	\$ -	\$ 5,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 23,000.00
Marketing	\$ 134.95	\$ 979.95	\$ 759.95	\$ 1,232.95	\$ 734.95	\$ 1,209.95	\$ 659.95	\$ 1,136.95	\$ 309.95	\$ 134.95	\$ 2,027.95	\$ 134.95	\$ 9,457.40
Meetings	\$ 100.00	\$ -	\$ 100.00	\$ -	\$ -	\$ -	\$ 100.00	\$ -	\$ 100.00	\$ -	\$ 100.00	\$ -	\$ 600.00
Staff Appreciation	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 600.00
Office Supplies	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00
Postage	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 300.00
Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 12,000.00
Repairs & Maintenance	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 42,000.00
Telephone/Internet/IT	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
Temporary Labor/Consultants	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
Training & Conferences	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00
Utilities	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
NRP Capital						\$ 50,000.00							
Total Operating Expenses	\$ 14,409.95	\$ 20,154.95	\$ 17,034.95	\$ 17,407.95	\$ 17,009.95	\$ 67,384.95	\$ 16,934.95	\$ 17,311.95	\$ 28,584.95	\$ 16,309.95	\$ 18,302.95	\$ 14,309.95	\$ 215,157.40
Program:													
Field Trips	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies ASES	\$ -	\$ 700.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 3,700.00
Supplies Non-ASES	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,000.00
Transportation	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 14,400.00
Total Program	\$ 1,700.00	\$ 2,400.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,100.00
Special Events:													
Auction										\$ 15,000.00			\$ 15,000.00
Golf			\$ 12,000.00										\$ 12,000.00
BBBQC		\$ -											\$ -
HHC						\$ 2,000.00							\$ 2,000.00
Thanksgiving					\$ 2,500.00								\$ 2,500.00
YOY										\$ 2,000.00			\$ 2,000.00
HIT Service Trip Expense						\$ 2,500.00				\$ 12,500.00			\$ 15,000.00
AAF/AAC						\$ 3,000.00							\$ 3,000.00
Board Holiday Party				\$ 1,800.00									\$ 1,800.00
Staff Holiday Party							\$ 2,500.00						\$ 2,500.00
Quarterly Open Houses	\$ 300.00			\$ 300.00			\$ 300.00			\$ 300.00			\$ 1,200.00
Stewardship	\$ 120.00			\$ 120.00			\$ 120.00			\$ 120.00			\$ 480.00
Donor Appreciation		\$ 500.00			\$ 500.00			\$ 500.00			\$ 500.00		\$ 2,000.00
Kid's Fundraisers													
Supplies/Decorations													
Merchandise Fees													
Catering													
George Chamberlin Memorial													
Advertising													
Other													
Total Special Events	\$ 420.00	\$ 500.00	\$ 12,000.00	\$ 420.00	\$ 4,800.00	\$ 7,500.00	\$ 2,920.00	\$ 500.00	\$ -	\$ 15,420.00	\$ 15,000.00	\$ -	\$ 59,480.00
Total Expenses	\$ 160,558.90	\$ 133,747.10	\$ 179,615.47	\$ 248,130.18	\$ 166,895.99	\$ 219,770.99	\$ 171,476.48	\$ 187,821.96	\$ 199,595.96	\$ 238,844.65	\$ 199,113.96	\$ 167,799.93	\$ 2,222,072.56



OGDEN UT 84201-0038

In reply refer to: 0441746480
Apr. 07, 2011 LTR 4168C 0
95-3330218 000000 00

00031837
BODC: TE

BOYS & GIRLS CLUB OF SAN MARCOS
1 POSITIVE PL
SAN MARCOS CA 92069-2875



000103

Employer Identification Number: 95-3330218
Person to Contact: Ms. Casteel
Toll Free Telephone Number: 1-877-829-8500

Dear Taxpayer:

This is in response to your Mar. 29, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in June 1982.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Requests, 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.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.



BOYS & GIRLS CLUB
OF SAN MARCOS

Boys Girls Club of San Marcos
Board of Directors
2020-2021

Executive Committee		
Name	Board Role	Company & Title
Paul Malone	Chair, Auction Committee	EvCon Associates - Owner
Jason Simmons	Immediate Past Chair, Safety Committee Chair	Consultants Collaborative, Inc - VP of Operations
Gary Levitt	Treasurer	Sea Breeze Properties - Principal
Debbie Thompson	Secretary	California Bank.& Trust - Vice President/Relationship Banker

Members	
Name	Company & Title
Spencer Bemus	Bemus Landscape - Vice President of Tree Care
Vicki Betz	EDCO Waste & Recycling - Sales Representative and Community Relations
Chris Cochran	Escondido Chamber of Commerce - Director of Marketing and Development
Joe El-Maasri	Firestone Builders - President
Michael Harris	Building Industry Associates - Director, Membership & Sponsorships
John Seymour	National Community Renaissance - Vice President

Covell, Jani & Pasch LLP
345 W 9th Ave Ste 100
Escondido, CA 92025-5055
760-737-0700

May 13, 2020

CONFIDENTIAL

Boys & Girls Club of San Marcos
1 Positive Place
San Marcos, CA 92069

Dear Letitia:

We have prepared the following returns from information provided by you without verification or audit.

Return of Organization Exempt From Income Tax (Form 990)
Annual Registration Renewal Fee Report (Form RRF-1)
California Exempt Organization Annual Information Return (Form 199)

We suggest that you examine these returns carefully to fully acquaint yourself with all items contained therein to ensure that there are no omissions or misstatements.

Federal Filing Instructions

Your Form 990 for the year ended 6/30/19 shows no balance due.

Your return is being filed electronically with the IRS and is not required to be mailed. If you mail a paper copy of your return to the IRS it will delay the processing of your return. Your electronically filed return is not complete without your signature. You are using a Personal Identification Number (PIN) for signing your return electronically. Form 8879-EO, IRS *e-file* Signature Authorization for an Exempt Organization should be signed and dated by an authorized officer of the organization and returned as soon as possible to:

Covell, Jani & Pasch LLP
345 W 9th Ave Ste 100
Escondido, CA 92025-5055

Important: Your return will not be filed with the IRS until the signed Form 8879-EO has been received by this office.

California Form 199 Filing Instructions

Your Form 199 for the tax year ended 6/30/19 shows no balance due.

Your return is being filed electronically with the California Franchise Tax Board and is not required to be mailed. If you mail a paper copy of Form 199 to the California Franchise Tax Board it will delay processing of your return. Initial and date the copy, and retain it for your records.

Your electronically filed return is not complete without your signature. Form 8453-EO, California e-file Return Authorization for Exempt Organizations, should be signed and dated by an authorized officer of the corporation and returned to Covell, Jani & Pasch LLP before the electronic file is transmitted to the California Franchise Tax Board.

If you scheduled an electronic funds withdrawal and wish to cancel it, you must call the California Franchise Tax Board at (916) 845-0353 at least two working days prior to the date of withdrawal.

California Form RRF-1 Filing Instructions

Your Form RRF-1 for the tax year ended 6/30/19 shows a balance due of \$150. The return should be signed and dated on Page 1 by an officer representing the organization. Include a check payable to the Attorney General's Registry of Charitable Trusts in the amount of \$150. Write "E.I.N. 95-3330218, RRF-1 Balance Due for the year ended 6/30/19" on the check. Mail the return by November 15, 2019 to:

Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470

A copy of the federal return should be attached and sent with the registration renewal.

Also enclosed is any material you furnished for use in preparing the returns. If the returns are examined, requests may be made for supporting documentation. Therefore, we recommend that you retain all pertinent records for at least seven years.

In order that we may properly advise you of tax considerations, please keep us informed of any significant changes in your financial affairs or of any correspondence received from taxing authorities.

If you have any questions, or if we can be of assistance in any way, please call.

Sincerely,

Covell, Jani & Pasch LLP

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
OF
BOYS & GIRLS CLUB OF SAN MARCOS
JUNE 30, 2017 AND 2016**

**BOYS & GIRLS CLUB OF SAN MARCOS
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JUNE 30, 2017 AND 2016**

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Independent Auditor's Report

To the Board of Directors of
Boys & Girls Club of San Marcos
San Marcos, California

We have audited the accompanying financial statements of Boys & Girls Club of San Marcos (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of San Marcos as of June 30, 2017 and 2016, 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.

Covell, Jani & Pasch LLP

Escondido, California
April 3, 2018

**BOYS & GIRLS CLUB OF SAN MARCOS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

ASSETS		
	2017	2016
Current Assets		
Cash and cash equivalents	\$ 84,273	\$ 136,448
Investments	849,873	737,095
Accounts receivable	401	22,483
Grants receivable	158,507	230,305
Prepaid expenses	1,068	-
Other current assets	1,138	200
TOTAL CURRENT ASSETS	1,095,260	1,126,531
Property and equipment, net	723,119	664,149
Investments, restricted	65,001	65,001
TOTAL ASSETS	<u>\$ 1,883,380</u>	<u>\$ 1,855,681</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 64,181	\$ 44,238
Accrued liabilities	1,680	2,718
Accrued payroll liabilities	18,139	10,014
Deferred revenue and deposits	74,961	89,420
TOTAL CURRENT LIABILITIES	158,961	146,390
Net Assets		
Unrestricted	1,659,071	1,641,943
Temporarily restricted	347	2,347
Permanently restricted	65,001	65,001
TOTAL NET ASSETS	1,724,419	1,709,291
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,883,380</u>	<u>\$ 1,855,681</u>

See independent auditor's report and notes to financial statements

**BOYS & GIRLS CLUB OF SAN MARCOS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
UNRESTRICTED NET ASSETS		
Support and Revenue		
General club revenue	\$ 437,642	\$ 356,354
Grants	987,319	861,267
Public support	173,514	96,926
United way	5,496	10,080
Special events (net of direct expenses \$92,908)	363,750	436,065
Net assets released from restrictions	8,000	2,190
Interest and dividends	42,904	25,092
Realized gain (loss) on investments	4,084	13,537
Unrealized gain (loss) on investments	34,583	(76,063)
TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>2,057,292</u>	<u>1,725,448</u>
Expenses		
Program services		
Jennifer Loscher branch	448,973	372,291
San Marcos Unified School District	1,004,482	839,012
Other programs	133,775	111,995
Total programs services	<u>1,587,230</u>	<u>1,323,298</u>
Supporting services		
Management and general expenses	302,322	252,208
Fund raising costs	150,612	132,258
Total supporting services	<u>452,934</u>	<u>384,466</u>
TOTAL EXPENSES	<u>2,040,164</u>	<u>1,707,764</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>17,128</u>	<u>17,684</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	6,000	1,310
Net assets released from restrictions, satisfaction of program restrictions	(8,000)	(2,190)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(2,000)</u>	<u>(880)</u>
INCREASE (DECREASE) IN NET ASSETS	15,128	16,804
NET ASSETS AT BEGINNING OF YEAR	<u>1,709,291</u>	<u>1,692,487</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,724,419</u>	<u>\$ 1,709,291</u>

See independent auditor's report and notes to financial statements

**BOYS & GIRLS CLUB OF SAN MARCOS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 15,128	\$ 16,804
Adjustments to reconcile change in net assets provided by operating activities		
Realized (gain) loss on investments	(4,084)	(13,537)
Unrealized (gain) loss on investments	(34,583)	76,063
Depreciation	82,005	73,661
(Increase) decrease in operating assets:		
Accounts receivable	22,082	(15,078)
Grants receivable	71,798	(95,034)
Prepaid expenses	(1,068)	9,510
Other current assets	(938)	104
Increase (decrease) in operating liabilities:		
Accounts payable	19,944	23,539
Accrued expenses	(1,038)	(4,855)
Accrued payroll expenses	8,125	(32,629)
Deferred revenue and deposits	(14,459)	51,474
Total adjustments	<u>147,784</u>	<u>73,218</u>
Net cash provided by operating activities	<u>162,912</u>	<u>90,022</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(140,976)	(109,347)
Proceeds from sale of investments	154,978	250,000
Purchase of investments	(229,089)	(251,200)
Net cash used in investing activities	<u>(215,087)</u>	<u>(110,547)</u>
NET INCREASE (DECREASE) IN CASH	<u>(52,175)</u>	<u>(20,525)</u>
CASH, BEGINNING OF YEAR	<u>136,448</u>	<u>156,973</u>
CASH, END OF YEAR	<u>\$ 84,273</u>	<u>\$ 136,448</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

CASH PAID DURING THE YEAR FOR:

Interest expense	\$ 1,528	\$ -
Income tax	\$ -	\$ -

See independent auditor's report and notes to financial statements

**BOYS & GIRLS CLUB OF SAN MARCOS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

	Jennifer Loscher Branch	Program Services				Support Services			Total Expenses	
		San Marcos			Total Program Services	Management and General	Fund Raising Costs	Total Support Services		2017
		School District	Unified	Other Programs						
Expenses										
Advertising, promotions, and awards	\$ 1,490	\$ 3,004	\$ 425	\$ 4,919	\$ 1,455	\$ 487	\$ 1,942	\$ 6,861		
Bank and merchant fees	3,658	7,386	1,045	12,089	3,574	1,198	4,772	16,861		
Depreciation	17,795	35,918	5,084	58,797	17,386	5,822	23,208	82,005		
Dues and licenses	3,528	7,121	1,009	11,658	3,448	1,154	4,602	16,260		
Employee wages and salaries	285,216	690,068	89,288	1,064,572	164,265	85,523	249,788	1,314,360		
Employee benefits	15,878	32,047	4,536	52,461	15,511	5,195	20,706	73,167		
Employer payroll taxes, W/C insurance and fees	37,066	74,814	10,590	122,470	36,213	12,128	48,341	170,811		
Insurance	3,855	7,782	1,101	12,738	3,765	1,261	5,026	17,764		
Outside Services	4,201	8,480	1,200	13,881	4,104	1,374	5,478	19,359		
Postage	550	1,108	156	1,814	536	180	716	2,530		
Professional fees	2,579	5,205	737	8,521	2,520	844	3,364	11,885		
Program field trips	4,737	9,600	1,342	15,679	4,654	1,551	6,205	21,884		
Repairs and maintenance	12,574	25,379	3,592	41,545	12,283	4,113	16,396	57,941		
Scholarships	8,000	-	-	8,000	-	-	-	8,000		
Supplies and equipment	16,067	32,428	4,590	53,085	1,570	19,381	20,951	74,036		
Telephone and utilities	8,339	16,833	2,382	27,554	8,147	2,728	10,875	38,429		
Training and conference	9,215	18,603	2,633	30,451	9,003	3,017	12,020	42,471		
Travel	14,225	28,706	4,065	46,996	13,888	4,656	18,544	65,540		
Total Expenses	\$ 448,973	\$ 1,004,482	\$ 133,775	\$ 1,587,230	\$ 302,322	\$ 150,612	\$ 452,934	\$ 2,040,164		

See independent auditor's report and notes to financial statements

**BOYS & GIRLS CLUB OF SAN MARCOS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016**

	Program Services				Support Services			Total Expenses	
	Jennifer Loseher Branch	San Marcos Unified School District	Other Programs	Total Program Services	Management and General	Fund Raising Costs	Total Support Services		2016
Expenses	\$	\$	\$	\$	\$	\$	\$	\$	\$
Advertising, promotions, and awards	1,442	2,907	411	4,760	1,408	472	1,880		6,640
Bank and merchant fees	3,224	6,509	921	10,654	3,150	1,056	4,206		14,860
Depreciation	15,985	32,263	4,567	52,815	15,616	5,230	20,846		73,661
Dues and licenses	3,506	7,077	1,002	11,585	3,426	1,147	4,573		16,158
Employee wages and salaries	229,293	554,764	71,781	855,838	132,057	68,754	200,811		1,056,649
Employee benefits	12,283	24,791	3,509	40,583	11,999	4,019	16,018		56,601
Employer payroll taxes, WC insurance and fees	33,244	67,100	9,498	109,842	32,478	10,878	43,356		153,198
Insurance	3,815	7,702	1,090	12,607	3,726	1,248	4,974		17,581
Outside Services	3,796	7,661	1,084	12,541	3,708	1,242	4,950		17,491
Postage	147	297	42	486	144	48	192		678
Professional fees	2,539	5,124	726	8,389	2,480	831	3,311		11,700
Program field trips	5,688	11,526	1,611	18,825	5,587	1,862	7,449		26,274
Repairs and maintenance	10,835	21,869	3,095	35,799	10,584	3,545	14,129		49,928
Scholarships	2,190	-	-	2,190	-	-	-		2,190
Supplies and equipment	19,826	40,015	5,664	65,505	1,939	23,915	25,854		91,359
Telephone and utilities	9,181	18,533	2,623	30,337	8,969	3,004	11,973		42,310
Training and conference	6,227	12,570	1,779	20,576	6,084	2,038	8,122		28,698
Travel	9,070	18,304	2,592	29,966	8,853	2,969	11,822		41,788
Total Expenses	\$ 372,291	\$ 839,012	\$ 111,995	\$ 1,323,298	\$ 252,208	\$ 132,258	\$ 384,466	\$	1,707,764

See independent auditor's report and notes to financial statements

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

A. ORGANIZATION

The Boys & Girls Club of San Marcos (the "Club") was incorporated January 23, 1979 pursuant to the general nonprofit corporation law of the State of California. The specific purpose of the Club is to promote the social, educational, health, leadership, and character development of boys and girls during critical periods of their growth. The Club maintains one primary facility and various sub-sites in the San Marcos area. "Club"

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Club's accounting records and the accompanying financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP) whereby all revenue is recognized when earned rather than received and expenses are recognized when incurred rather than when paid.

Income Taxes

The Club 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 under the U.S. Internal Revenue Code and Section 23701(d) of the California State Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

Contributions

Generally accepted accounting principles require that the Club reports information about its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted contributions are recognized as an increase in unrestricted net assets when received. Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the donor-imposed restriction. When restrictions are satisfied, either by the passage of time or by accomplishing the purpose, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When restrictions are satisfied in the same accounting period that the contribution is received, both the revenue and the related expense are reported in the unrestricted net asset class.

Donated Services

Donated services from volunteers have not been reflected in the financial statements because the criteria for recognition under generally accepted accounting principles has not been satisfied. Nevertheless, a substantial number of volunteers donated many hours of their time to the Club.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts 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 period. Accordingly, actual results could differ from those estimates.

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocations

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 on an estimated basis between programs, management and general supporting services, and fund raising.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents consist primarily of certificate of deposit accounts and other securities with original maturities of three months or less.

Accounts Receivable

The Club believes that accounts receivable are fully collectible and that no allowance for uncollectible accounts is needed.

Advertising

The Club expenses advertising costs as they are incurred. The total advertising expense for the years ended June 30, 2017 and 2016 was \$6,861 and \$6,640, respectively.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Expenditures for maintenance, repairs, and improvements which do not materially extend the useful lives of the assets are charged to operations in the periods incurred. Depreciation is provided on the straight-line and double declining methods over the estimated useful lives of the assets as follows:

<u>Asset</u>	<u>Life</u>
Building	30 years
Computers and peripherals	5-7 years
Furniture and fixtures	7 years
Leasehold improvements	10-30 years
Office equipment	5-7 years
Software	3 years
Vehicles	5 years

C. CASH AND CASH EQUIVALENTS

Cash consisted of the following at June 30:

	<u>2017</u>	<u>2016</u>
California Bank & Trust	\$ 78,278	\$ 94,469
Petty Cash	591	566
SagePoint Financial, Inc.	5,404	41,413
	<u>\$ 84,273</u>	<u>\$ 136,448</u>

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

D. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Club to concentrations of credit risk consist principally of cash deposits and investment securities in bank and financial institutions. The Club maintains cash and cash equivalents and short and long-term investments with major banks and financial institutions. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. The Club did not have a balance in excess of the FDIC coverage for the years ended June 30, 2017 and 2016, respectively.

The Club also maintains accounts with a brokerage company. These accounts contain cash and securities and balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Company (SIPC). For the years ended June 30, 2017 and 2016, the Club had a balance in excess of coverage of \$157,108 and \$117,558, respectively.

E. CASH FLOW INFORMATION

The company did not have any non-cash financing transactions relating to the purchase of fixed assets at June 30, 2017 and 2016.

F. MAJOR GRANT CONTRACTS

After School Education and Safety (ASES) Program: There are contract agreements between San Marcos Unified School District and the Club (contractor) to operate an ASES program to improve academic achievement and provide safe and healthy recreation and prevention activities for students at qualified school sites. Initial grant contract terms covered a three year period with extensions. Although this period has expired, the contract terms are eligible for renewal on an annual basis, and were renewed for the years ended June 30, 2017 and 2016. Award amounts totaled \$735,226 and \$558,564 for the years ended June 30, 2017 and 2016, respectively. Total payments received for the years ended June 30, 2017 and 2016 were \$589,252 and \$558,530, respectively.

Boys & Girls Club National Youth Mentoring Program (OJP): There are contract agreements between Boys & Girls Clubs of America and the Club (contractor) to create and/or preserve full-time equivalent paid staff positions and to implement or expand an evidence-based mentoring program. Grant contract terms cover a one year period. Any remaining amounts may carry forward to the next fiscal year. Award amounts totaled \$30,000 and \$30,000 for the years ended June 30, 2017 and 2016. Total payments received for the years ended June 30, 2017 and 2016 were \$27,673 and \$29,310, respectively.

Hope through Housing After School Program: There are contract agreements between the Hope Through Housing Foundation and the Club (contractor) to operate after school programs at satellite sites located in four different affordable housing sites to provide academic readiness and decreased tolerance for bullying and violence programs to youth members. The first grant contract terms covered a nine month period from September 2015 through May 2016 and was renewed for the year June 2016 through June 2017. Award amounts totaled \$12,000 per month for the years ended June 30, 2017 and 2016. Total payments received for the years ended June 30, 2017 and 2016 were \$144,000 and \$120,000, respectively.

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

G. GRANTS RECEIVABLE

Grants receivable are deemed to be fully collectable by management and are composed of the following amounts due at June 30:

	<u>2017</u>	<u>2016</u>
Boys & Girls Clubs of America	\$ 14,752	\$ 5,494
Copper Creek Housing Associates	3,166	1,583
Hope through Housing	24,000	36,000
San Marcos Unified School District – ADE	23,675	49,702
San Marcos Unified School District – JAE	14,980	-
San Marcos Unified School District – SME	15,458	20,993
San Marcos Unified School District – SMMS	43,442	70,524
San Marcos Unified School District – WPMS	<u>19,034</u>	<u>46,009</u>
	<u>\$ 158,507</u>	<u>\$ 230,305</u>

H. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at June 30:

	<u>2017</u>	<u>2016</u>
Building	\$ 1,318,013	\$ 1,318,013
Computers and peripherals	92,702	92,702
Furniture and fixtures	104,151	104,151
Leasehold improvements	365,906	224,931
Office equipment	20,127	20,127
Software	13,198	13,198
Vehicles	<u>71,344</u>	<u>71,344</u>
	1,985,441	1,844,466
Less accumulated depreciation	<u>(1,262,322)</u>	<u>(1,180,317)</u>
	<u>\$ 723,119</u>	<u>\$ 664,149</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$82,005 and \$73,661, respectively.

I. INVESTMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring the fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

I. INVESTMENTS (CONTINUED)

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in inactive markets
- inputs other than quoted prices that are observable for the asset or liability
- inputs that are derived principally from or corroborated by observable market data by correlation or other means
- If the asset or liability has specified (contractual) terms, the level 2 input must be observable for substantially the full term of the assets or liability

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

The following table sets forth by level, within the fair value hierarchy, the Club's investments, other than money market funds, included in cash at fair value as of June 30, 2017.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Bond funds	\$ 141,311	-	-	\$ 141,311
Fixed income funds	257,767	-	-	257,767
Large blend funds	35,838	-	-	35,838
World stock funds	92,889	-	-	92,889
Large value funds	22,739	-	-	22,739
Moderate allocation fund	32,208	-	-	32,208
Equities & Exchange-Traded				
Consumer goods	82,418	-	-	82,418
Financial services	9,187	-	-	9,187
Technology	24,536	-	-	24,536
Utilities	10,392	-	-	10,392
Industrial goods	79,859	-	-	79,859
Energy	3,246	-	-	3,246
Real estate/construction	9,689	-	-	9,689
Services	9,563	-	-	9,563
Large value	24,739	-	-	24,739
Health	44,600	-	-	44,600
Preferred stock (ETF)	33,882	-	-	33,882
Oil & gas drilling exploration	11	-	-	11
Total asset fair value	<u>\$ 914,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 914,874</u>

The amortized cost of securities and their approximate fair values at June 30, 2017 are as follows:

Gross amortized cost	\$ 942,962
Unrealized loss on investments	(28,088)
Fair market value	<u>\$ 914,874</u>

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

I. INVESTMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Club's investments, other than money market funds, included in cash at fair value as of June 30, 2016.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Bond funds	\$ 133,433	-	-	\$ 133,433
Fixed income funds	225,951	-	-	225,951
Large blend funds	14,521	-	-	14,521
World stock funds	50,126	-	-	50,126
Large value funds	20,231	-	-	20,231
Moderate allocation fund	56,177	-	-	56,177
Equities & Exchange-Traded				
Consumer goods	83,849	-	-	83,849
Financial services	8,763	-	-	8,763
Technology	18,687	-	-	18,687
Utilities	47,882	-	-	47,882
Industrial goods	23,734	-	-	23,734
Energy	3,412	-	-	3,412
Real estate/construction	9,851	-	-	9,851
Services	7,358	-	-	7,358
Large value	23,972	-	-	23,972
Health	39,628	-	-	39,628
Preferred stock (ETF)	34,505	-	-	34,505
Oil & gas drilling exploration	16	-	-	16
Total asset fair value	<u>\$ 802,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 802,096</u>

The amortized cost of securities and their approximate fair values at June 30, 2016 are as follows:

Gross amortized cost	\$ 876,134
Unrealized loss on investments	(74,038)
Fair market value	<u>\$ 802,096</u>

Endowment Funds: The Club's endowment consists of approximately 10 individual funds established for a variety of purposes. Its endowment includes only donor-restricted funds. As required by generally accepted accounting principles, 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 the Club 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 Club classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Club in a manner consistent with the standard of prudence prescribed by UPMIFA.

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

I. INVESTMENTS (CONTINUED)

In accordance with UPMIFA, the Club 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 purposes of the Club and 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 Club, and (7) the Club investment policies.

Investment Return Objectives, Risk Parameters and Strategies: The investment goal is to achieve a total return that provides incremental value when benchmarked or compared to the relevant indexes. The Endowment Committee adheres to a total return policy in measuring investment performance. Total return is the sum of interest, dividends, and realized and unrealized gains and losses. The objective is for the portfolio to yield a total return (after fees and before distributions to current operations) of 3% over inflation, over a market cycle of usually 3-5 years, as measured by the Consumer Price Index (all urban CPI) annually. The Endowment Committee has the responsibility of determining the asset allocation guidelines that are the highest probability of achieving superior investment performance. The Committee believes that the ultimate achievement of its investment mission statement is impacted most by the asset allocation decision. It is also the primary determinant of volatility of returns. The endowment asset allocation guidelines are designed to portray the investment structure of the fund over a long time horizon. The advisors shall recommend an appropriate asset allocation mix for the portfolio within the following guidelines:

1. The equity portion of the portfolio will be managed within a range of 40% to 70%
2. The fixed income portion will be managed within a range of 30% to 60%

If the manager deems it necessary to vary from these ranges, such variance shall be discussed with the Club's Endowment Committee and approved by the Board of Directors if a change is to be made.

The following categories of securities transactions are not permissible within the Club's portfolio:

1. Short sales.
2. Put and call options (except that calls may be written against securities owned).
3. Margin purchases or lending or borrowing money, except for publicly traded corporate debt.
4. Letter stock, private placement, or direct placements.
5. Equity securities of any company which has a record of less than three years continuous operation, including the operation of any predecessor.
6. Purchase for purposes of exercising control of management.
7. Derivatives of any other type.
8. Stock loans.
9. Commodities.
10. Oil or gas real property, without prior consultation with the Endowment Committee.

The Endowment Committee is responsible for monitoring the investment management of the Endowment Funds' assets. The Committee will hold formal meetings with the investment advisors periodically, at least semiannually. These meetings will include:

- A. A summary of investment performance for the period measured against established performance benchmarks.
- B. A report of the portfolio's holdings showing individual security positions, at cost and market value.
- C. A review of all transactions, including a report of all capital gains and losses.

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

I. INVESTMENTS (CONTINUED)

D. Discussion on portfolio structure in light of current and anticipated market conditions and investment objectives of the Funds.

The investment advisors will furnish the Endowment Committee a quarterly report on a timely basis which summarizes investment performance and shows individual security positions at cost and market. The report should also include a review of all transactions, including all capital gains and losses.

The investment advisors are expected to notify the Endowment Committee whenever significant developments occur that may affect the portfolio. These developments include, but are not limited to, major changes in investment outlook, investment strategy, or any other matters affecting investing policy.

The portfolio's custodian will issue a monthly report of the portfolio's holdings showing individual security positions, at cost and market value, on a timely basis. Such report will also show all transactions, including a report of all capital gains and losses.

From time to time, the fair value of assets associated with individual or donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Club to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, a deficiency of this nature is reported as unrestricted net assets. There was no such deficiency as of June 30, 2017 and 2016.

Spending Policy: This concept calls for a specific dollar amount based on a percentage of endowed assets to be used for the annual operating budget of the Club regardless of interim market fluctuations, income and dividend levels or capital gains/losses. The Board will designate which funds will be considered endowed for purposes of this policy. Any funds not a part of the Club's endowment may be subject to other donor or Board spending restrictions.

The percentage of total endowed fund assets used annually by the Club is the spending policy. The Board of Directors will set this percentage. The spending policy percentage will be multiplied by the "adjusted asset base" to determine the dollar value available for Club operations. The "adjusted asset base" figure will be a moving aggregate of the previous 12-quarter end market values of eligible assets.

For the purposes of this policy, the Club will use 5% of the eligible assets on an annual basis to support Club operations. This spending policy will go into effect once the Fund's total "eligible asset base" reaches \$5 million. However, this may be reviewed and/or changed by the Board of Directors.

Endowment net asset composition by type of fund as of June 30, 2017 is as follows:

Fund Type	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Donor Restricted	\$ -	\$ -	\$ 65,001	\$ 65,001
Board Designated	-	-	-	-
Total Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,001</u>	<u>\$ 65,001</u>

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

I. INVESTMENTS (CONTINUED)

Endowment net asset composition by type of fund as of June 30, 2016 is as follows:

Fund Type	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Donor Restricted	\$ -	\$ -	\$ 65,001	\$ 65,001
Board Designated	-	-	-	-
Total Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,001</u>	<u>\$ 65,001</u>

Changes in endowment net assets as of June 30, 2017 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ 65,001	\$ 65,001
Contributions	-	-	-	-
Investment income	-	-	-	-
Net appreciation (depreciation)	-	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,001</u>	<u>\$ 65,001</u>

Changes in endowment net assets as of June 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ 65,001	\$ 65,001
Contributions	-	-	-	-
Investment income	-	-	-	-
Net appreciation (depreciation)	-	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,001</u>	<u>\$ 65,001</u>

J. NET ASSETS

Net assets are as follows as of June 30:

	<u>2017</u>	<u>2016</u>
Unrestricted net assets	<u>\$ 1,659,071</u>	<u>\$ 1,641,943</u>
Temporarily restricted net assets		
Restricted for:		
Scholarship fund	<u>347</u>	<u>2,347</u>
Total temporarily restricted net assets	<u>347</u>	<u>2,347</u>

BOYS AND GIRLS CLUB OF SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

J. NET ASSETS (CONTINUED)

Permanently restricted net assets

Restricted for:

Permanent endowment	<u>65,001</u>	<u>65,001</u>
Total permanently restricted net assets	<u>65,001</u>	<u>65,001</u>

Total Net Assets	<u>\$ 1,724,419</u>	<u>\$ 1,709,291</u>
------------------	---------------------	---------------------

K. OPERATING LEASE OBLIGATION

The Club leases land for \$1 per year from the City of San Marcos under an agreement expiring in September 2043. No amounts have been reflected in the financial statements for donated rent or a promise to give because there is no clear measureable and objective basis for determining its value.

L. PENSION PLAN

On July 1, 2014, the Club adopted a defined 401(k) profit sharing plan. The plan is open to all eligible employees. The Club makes a mandatory three percent (3%) contribution per the requirements of Boys and Girls Club of America. In addition to that, the Club matches 100% up to 4% of employees' compensation. Employees become vested in the plan based on a two-to-six year graded vesting scale.

The total pension expense for the years ended June 30, 2017 and 2016 was \$36,398 and \$34,802, respectively.

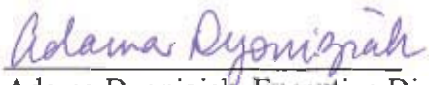
M. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 3, 2018, the date the financial statements were available to be issued.



SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page

(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: Project Access San Diego Date Submitted: 10/6/20	Total # of people served: 550 Total # of San Marcos residents served: 21	Amount Requested: \$10,000
Non-Profit Organization Name and Address, Website San Diego County Medical Society Foundation, dba Champions for Health 5575 Ruffin Rd., Ste. 250 San Diego, CA 92123 www.championsfh.org		Contact Person – Name, Title & Phone, email Adama Dyoniziak, MPH, CPH Executive Director 858-300-2780 Adama.Dyoniziak@championsfh.org
<u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant): We request \$10,000 for staff salaries to provide intensive care management, and secure pro bono specialty healthcare services for San Marcos residents. Funds will specifically be utilized to pay for a portion of the salaries of the PASD Project Manager and the PASD Care Manager, allocated at \$5,000 for each position.		
<u>Briefly</u> describe the significance of your request to the San Marcos community: In the 2019-2020 PASD program year, there were 21 unique patients residing in San Marcos who received support for 45 specialty appointments, consults, and colonoscopies from our care coordination team, and served by our volunteer specialty physicians. This request is the first time Champions for Health requests funding from the San Marcos Community Foundation and represents a need to ensure we apply for all sources of funding that might benefit our patients, many of whom are San Marcos residents. Since 2008 Project Access Diego (PASD) has served more than 6,500 patients uninsured low-income patients county-wide, connecting them to specialty healthcare services and surgeries, and supporting FQHCs in North County (TruCare, Neighborhood Health Care) to extend their continuum of care for fee for service/uninsured low income patients. Champions for Health is the only organized method for specialty physician volunteerism due to its intensive care management for patients in their care, and our ability to secure needed durable medical equipment, medications, medical interpreting (paid and volunteer), and transportation which addresses the social determinants of health. In the past 12 years, this unique partnership has resulted in more than \$22.4M in donated pro bono care and surgeries, and more than 78 individuals have received life-saving interventions.		
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: 10/1/2020 Date by which funds will be expended: 9/30/2021 Signature of President or Authorized Officer  Adama Dyoniziak, Executive Director <div style="text-align: right;">10/6/2020 Date</div> 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

I. Organizational History

Started in 2008, Project Access San Diego (PASD) is strategically co-housed within the San Diego County Medical Society, allowing access to thousands of specialty care physicians who donate their resources, time, and expertise. Since then, Champions for Health has leveraged over \$22.4 M in donated specialty healthcare services which have impacted 6,500+ uninsured San Diegans through its mission to improve community health and wellness, access to care for all, and support for physicians through engaged volunteerism, and provided life-saving intervention for 78 of our neighbors.

The origins of Champions for Health were as the Association for Medical and Paramedical Education and Research (AMPER,) which was founded by the San Diego County Medical Society (SDCMS) in 1968. In 2004, the SDCMS Foundation was founded as part of the San Diego County Medical Society, to address the needs of the medically underserved in San Diego County. In 2014, SDCMS Foundation was renamed and rebranded as Champions for Health. San Diego County is one of two counties in California that does not have a county-funded hospital or health clinics. The more than 222,000 remaining uninsured adults have very limited access to health services and preventive health. In the 2019-2020 program year, board and staff participated in a strategic plan process that emerged a renewed mission for Champions for Health:

Champions for Health is dedicated to providing access to critically needed healthcare for uninsured low-income residents of San Diego County who would otherwise face insurmountable barriers to care. We recruit, mobilize, and support hundreds of volunteer physicians and other professionals to provide free specialty healthcare.

All of Champions for Health's work remains based on collaboration with existing services to bring the highest impact to uninsured and underinsured San Diegans possible. Collaboration is the hallmark of our programs delivering cutting-edge medical care to low-income, uninsured and underinsured San Diego County residents. In the 2019 calendar year, Champions for Health facilitated over 1,479 medical encounters, 100 of them surgeries through Project Access San Diego and more than 27,716 community wellness touchpoints.

II. Why San Marcos Community Foundation Support is Needed

The California Simulator of Insurance Markets estimates the population of uninsured San Diegans increased to 222,000 from 167,000 since 2018. San Diego does not have a county-run hospital system or county-funded clinics. Approximately 50% of the uninsured seek limited primary care at the network of private non-profit community clinics, but many utilize emergency departments for delayed care. Using the Emergency Department for ongoing healthcare is a costly last resort which drives up community healthcare costs, and overextends ER resources.

Federally Qualified Health Centers (FQHCs) and other independent physicians who see fee for service patients only provide primary care physician services, with limited options for prevention and specialty care services for uninsured individuals. While other counties like Los Angeles offer health plans that provide full or capped Medi-Cal or other coverage to their uninsured adults, San Diegans find themselves managing a patchwork of services for those who fall through the safety net. FQHCs are not licensed to provide specialty care, nor critically needed outpatient and inpatient surgeries. Of the 700,000 patients the health centers see annually, at least 10% (70,000) are uninsured. Project Access San Diego is their sole source of specialty and surgical care.

The majority of the remaining uninsured in San Diego County are people of color living at or near the federal poverty level. These hard-working individuals care for others' children in the community, and

support a thriving economy; they beautify homes and gardens, allowing for high rents and property values in beautiful San Diego; cook and serve some of the best culinary experiences in America promoting tourism and culture; work in the construction or hospitality industries enabling our strong tax base; and often squeeze out a family income through multiple low-paying jobs. The uninsured often work for small employers who do not offer health insurance, while simultaneously not being eligible for MediCaid or other public benefit programs.

The demographic profile of our patients finds context across the diverse spectrum of San Diego County: 91% Latino, 4% White, 2% African American or Asian, 3% Other or Mixed Race. More than 71% of our patients are Latina women, and more than 90% of patients are monolingual Spanish speakers. The minimum wage in San Diego is \$11.50 per hour (<\$12k annually for part time work, <\$24K for full time work). In California as elsewhere, women are more likely than men to live in poverty, and earn less in every occupational category compared to men (The Report on the Status of Women Girls in California 2015, St Mary's College, Los Angeles). A patient's ability to work is crucial to their ability to survive and provide basic needs for themselves and their family, especially if they work several part time jobs. PASD patients report a 75% reduction in workdays missed after receiving care. PASD supports them to provide for their families and continue to be contributing members of our thriving local economy.

III. Timeline

Project Access San Diego is an ongoing project. This grant request applies to FY 2020-2021 (October 1, 2020 – September 30, 2021). Support of our patient care management team will allow us to be ready to serve more patients in this fiscal year, as well respond to unforeseen demands in regional care such as increased influenza cases, and COVID-related cases for uninsured who require specialty care.

IV. PASD Evaluation Criteria

Project Access San Diego evaluates our impact against the following objectives for FY2020-2021:

- A minimum of 550 uninsured patients will received donated medical care
- A minimum of 50% of patients will report an improvement in their health status
(Patients referred for imaging only often do not report improvement until their issue is treated)
- 75% reduction in number of days PASD patients are unable to work or care for family
- 80% reduction in return visits to emergency departments for PASD patients
- 60% reduction in return visits to primary care physicians for untreated specialty health needs for PASD patients

The number of patients served is tracked with database software; patient care managers track remaining objectives utilizing surveys. Six months after a patient completes their course of treatment and "graduates" from our program, PASD care managers' survey them on their post-care status. Additionally, Project Access San Diego measures the following data:

- Reduction of inpatient hospital days for PASD patients (benchmark 85% reduction)
- Number of specialty care appointments, surgeries, and procedures
- Average number of days from intake to specialty appointment
- Improved health status and quality-of-life indicators

Results are reported to our Board of Directors and our Program Leadership Team (physician volunteers), and included in materials to our funders, physician volunteers, and partners. Additionally, a health economist from UC San Diego, Dr. Todd Gilmer, helped refine our pre and post care interview process, and our benchmarks for improvement.

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)

PASD Project Manager (0.9 FTE)	<u>\$5,000</u>
PASD Care Manager (0.104% FTE)	<u>\$5,000</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total budget for this PROJECT: **\$457,851**

Grant Request Amount: **\$10,000**
(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).**

<u>\$100,000</u>	(County of San Diego – Contract Income) _____	**C
<u>\$80,000</u>	(Contributions) _____	**C
<u>\$16,500</u>	(Fallbrook Healthcare District) _____	**C
<u>\$10,000</u>	(California Colorectal Cancer Coalition – C4) _____	**C
<u>\$5,000</u>	(California Wellness Foundation – Discretionary Funds) _____	**C
<u>\$100,000</u>	(California Wellness Foundation – Advancing Wellness) _____	**P
<u>\$100,000</u>	(Alliance Healthcare Foundation) _____	**P
<u>\$25,000</u>	(Grossmont Healthcare District) _____	**P
<u>\$10,000</u>	(Pacific Foundation for Medical Care) _____	**P

PASD Program Budget

San Diego County Medical Society Foundation, DBA Champions for Health

Project Access San Diego – 10/1/20-9/30/21

Personnel	Grossmont Healthcare District Funding	Other Funding Available to Project	Total Project Budget
Salaries (list position)			
1. Executive Director, 0.25 FTE	\$0	\$30,000	\$30,000
2. Project Access Manager	\$15,000	\$40,000	\$55,000
3. Patient Care Manager	\$10,000	\$38,048	\$48,048
4. Community Wellness/Volunteer Manager	\$0	\$50,000	\$50,000
5. Director of Marketing & Development	\$0	\$73,000	\$73,000
Payroll Taxes and Benefits	\$0	\$60,072	\$60,072
Consultant Fees/Medical Director	\$0	\$9,000	\$9,000
Total CFH Personnel	\$25,000	\$300,121	\$300,121

	Grossmont Healthcare District Funding	Other Funding Available to Project	Total Project Budget
Other Expenses			
Telephone/Internet	\$0	\$7,517	\$7,517
Postage	\$0	\$795	\$795
Office Expenses	\$0	\$3,920	\$3,920
Equipment	\$0	\$500	\$500
Marketing	\$0	\$7,400	\$7,400
Mileage	\$0	\$3,500	\$6,000
Professional Services	\$0	\$6,560	\$6,560
Rent	\$0	\$23,211	\$23,211
Insurance	\$0	\$2,800	\$2,800
Miscellaneous (list)			
1. Patient Medicines/DME	\$0	\$8,500	\$8,000
2. Diagnostic Tests	\$0	\$5,000	\$5,000
3. Patient Transportation	\$0	\$10,000	\$10,000
4. Medical Interpretation	\$0	\$8,000	\$8,000
5. Community Wellness Program Expenses	\$0	\$30,000	\$30,000
6. Administrative Overhead	\$0	\$35,025	\$35,027
Total Other	\$0	\$152,230	\$157,730
TOTAL GRANT EXPENSES	\$25,000	\$452,351	\$457,851

San Diego County Medical Society Foundation
dba Champions for Health
FY 2019 - 2020 Operating Budget
October 1, 2019 - September 30, 2020

	Operating Budget
Income	
Contract Income	\$ 216,406.00
County HHSA PASD	\$ 100,000.00
Donations/Contributions - Unrestricted	\$ 66,000.00
SDCMSF Board	\$ 12,000.00
SDCMS Board	\$ 12,000.00
SDCMS Dues	\$ 12,000.00
Other Donations	\$ 30,000.00
Donations/Contributions - Restricted	\$ 80,500.00
Clinic Contracts	\$ 63,000.00
Event income	\$ 124,000.00
Solana Beach 5k	\$ 60,000.00
Champions Soirée	\$ 60,000.00
White Coat & Top Docs Galas	\$ 2,000.00
Physician Mixers/Other Events	\$ 2,000.00
Grants	\$ 224,224.00
Miscellaneous	\$ -
In-Kind	\$ 1,581,395.00
PASD In -kind Services	\$ 1,500,000.00
SDCMS In Kind	\$ 81,395.00
Interest	\$ 100.00
Total Income with In-Kind	\$ 2,292,525.00
Total Cash Income	\$ 711,230.00
Expenses / Liabilities	
Payroll	\$ 348,057.00
Salaries and Wages	\$ 273,173.00
Payroll Taxes	\$ 27,317.00
Staff Benefits	\$ 38,245.00
Payroll Fees	\$ 9,466.00
Consultants	\$ 37,067.00
CMO for PASD	\$ 9,000.00
Staff Training	\$ -
Program Expenses	\$ 91,000.00
Medicine / DME	\$ 8,000.00
Diagnostic Tests	\$ 5,000.00
Patient Transportation	\$ 8,000.00
Medical Interpretation	\$ 8,000.00
Medical Students	\$ 10,000.00
Physician Education	\$ 25,000.00
Community Wellness Program Costs	\$ 30,000.00
Event Expenses	\$ 51,100.00
Solana Beach 5k	\$ 30,000.00
Mixers and Other	\$ 1,100.00
Champions Soirée	\$ 20,000.00
Fundraising Expenses	\$ 60,000.00
Marketing	\$ 7,400.00
Travel and Mileage	\$ 6,000.00
Travel	\$ -
Mileage	\$ 6,000.00
Meetings Expenses	\$ 1,100.00
Board	\$ 800.00
Non-Board	\$ 300.00
In-Kind Services	\$ 1,581,395.00
In Kind PASD	\$ 1,500,000.00
In Kind SDCMS Rent	\$ 61,295.00
In Kind SDCMS SD Physician Advertising	\$ 20,100.00
Volunteer Recognition	\$ 5,000.00
<i>Overhead Expenses</i>	<i>\$ 87,506.00</i>
Accounting and Audit	\$ 33,000.00
Taxes & Licenses	\$ 500.00
Office Expenses	\$ 11,760.00
Computer/IT	\$ 12,725.00
Equipment	\$ -
Insurance	\$ 2,800.00
Rent	\$ 23,221.00
Bank and Merchant Fees	\$ 3,000.00
Strategic/Sustainability Plan Process	\$ 17,000.00
Secured Debt Payments	\$ -
Miscellaneous	\$ -
Total Expenses with In-Kind	\$ 2,293,725.00
Total Cash Expenses	\$ 711,230.00
Net Income	\$ -

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

2018Open 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 2018 calendar year, or tax year beginning **OCT 1, 2018** and ending **SEP 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 SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION DBA CHAMPIONS FOR HEALTH		D Employer identification number 95-2568714
	Doing business as		E Telephone number 858-300-2780
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	5575 RUFFIN ROAD, SUITE 250		G Gross receipts \$ 591,929.
	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 H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
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: ▶ CHAMPIONSFORHEALTH.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: 2004 M State of legal domicile: CA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO IMPROVE COMMUNITY HEALTH AND WELLNESS, ACCESS TO CARE FOR ALL, AND SUPPORT FOR PHYSICIANS THROUGH		
	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	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	7
	6 Total number of volunteers (estimate if necessary)	6	2500
	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	Current Year
	9 Program service revenue (Part VIII, line 2g)	325,196.	163,983.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	284,734.	328,100.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	87.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-12,212.	19,057.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	597,718.	511,227.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	8,000.	8,000.
	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)	374,581.	340,499.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 32,357.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	252,846.	278,980.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	635,427.	627,479.
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12	-37,709.	-116,252.
	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	182,087.	167,924.
	22 Net assets or fund balances. Subtract line 21 from line 20	200,879.	296,935.
		-18,792.	-129,011.

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		
	ADAMA DYONIZIAK, EXECUTIVE DIRECTOR Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	RICHARD HOTZ		05/26/20		P00452784
	Firm's name ▶	Firm's EIN ▶			
	CONSIDINE & CONSIDINE	95-2694444			
	Firm's address ▶	Phone no.			
	8989 RIO SAN DIEGO DRIVE, SUITE 250 SAN DIEGO, CA 92108	619.231.1977			

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

SAN DIEGO COUNTY MEDICAL SOCIETY
FOUNDATION DBA CHAMPIONS FOR HEALTH

Form 990 (2018)

95-2568714 Page 2

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☒ **X**

1 Briefly describe the organization's mission:
**IMPROVE COMMUNITY HEALTH & WELLNESS, ACCESS TO CARE FOR ALL, AND
SUPPORT FOR PHYSICIANS THROUGH ENGAGED VOLUNTEERISM.**

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 \$ **471,074.** including grants of \$ **8,000.**) (Revenue \$ **328,100.**)
THE FOUNDATION'S PROGRAM CONSISTS OF THE FOLLOWING THREE INITIATIVES:

PROJECT ACCESS SAN DIEGO

**THE FOUNDATION IS IN COLLABORATION WITH COMMUNITY HEALTH CENTERS THAT
PROVIDE PRIMARY CARE TO THE NEEDIEST OF OUR COMMUNITY, AND WITH
SPECIALTY CARE PHYSICIANS WHO WISH TO DONATE THEIR SERVICES, HELPING TO
CONNECT UNINSURED, LOW-INCOME ADULTS WITH PRO BONO SPECIALTY CARE. THE
FOUNDATION IS COMMITTED TO PLAYING AN ACTIVE ROLE IN SOLVING THIS
COMMUNITY-WIDE PROBLEM.**

CONTRACT SERVICES

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 **471,074.**

Form **990** (2018)

**SAN DIEGO COUNTY
MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH**

	Pages
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 - 20



INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
San Diego County Medical Society Foundation
DBA Champions for Health

We have audited the accompanying financial statements of San Diego County Medical Society Foundation DBA Champions for Health, A Nonprofit Organization, which comprise the statements of financial position as of September 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.

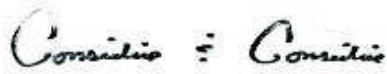
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Earning Your Trust Since 1946

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Diego County Medical Society Foundation DBA Champions for Health, as of September 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 cursive script that reads "Considine & Considine".

CONSIDINE & CONSIDINE
An Accountancy Corporation

March 4, 2020

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018**

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	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 48,718	\$ 49,486
Investments (Note 3)	52,689	86,014
Grants and contracts receivable	21,388	19,713
Accounts receivable	39,865	20,356
Prepaid expenses	<u>5,264</u>	<u>6,518</u>
TOTAL ASSETS	<u><u>167,924</u></u>	<u><u>182,087</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	65,521	49,523
Accrued expenses	22,435	22,719
Fiscal agency payable	9,663	9,663
Deferred revenue	43,304	-
Note payable - current (Note 6)	<u>18,000</u>	<u>18,000</u>
	158,923	99,905
LONG-TERM LIABILITIES		
Note payable - long term (Note 6)	<u>138,012</u>	<u>100,974</u>
	296,935	200,879
NET ASSETS (Note 7)		
Without donor restrictions	(223,523)	(126,577)
With donor restrictions	<u>94,512</u>	<u>107,785</u>
	<u>(129,011)</u>	<u>(18,792)</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 167,924</u></u>	<u><u>\$ 182,087</u></u>

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
In-kind donations	\$ 956,250	\$ -	\$ 956,250
Contract income	80,309	247,791	328,100
Grant revenue	5,000	110,910	115,910
Contributions	48,073	-	48,073
Investment income, net	6,120	-	6,120
Funds released from restrictions	371,974	(371,974)	-
	1,467,726	(13,273)	1,454,453
SPECIAL EVENTS (Note 9)			
Events revenue	99,759	-	99,759
Direct benefit to donors	(27,005)	-	(27,005)
	72,754	-	72,754
Total revenues	1,540,480	(13,273)	1,527,207
EXPENSES			
Program	1,414,766	-	1,414,766
General and administrative	130,327	-	130,327
Fundraising	92,333	-	92,333
	1,637,426	-	1,637,426
CHANGE IN NET ASSETS	(96,946)	(13,273)	(110,219)
NET ASSETS, BEGINNING OF YEAR	(126,577)	107,785	(18,792)
NET ASSETS, END OF YEAR	\$ (223,523)	\$ 94,512	\$ (129,011)

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
In-kind donations	\$ 628,846	\$ -	\$ 628,846
Contract Income	284,734	-	284,734
Contributions	69,393	76,515	145,908
Grant revenue	91,700	38,500	130,200
Investment income, net	(59,147)	-	(59,147)
Funds released from Restriction	107,072	(107,072)	-
	1,122,598	7,943	1,130,541
SPECIAL EVENTS (Note 9)			
Events revenue	95,180	-	95,180
Direct benefit to donors	(22,660)	-	(22,660)
	72,520	-	72,520
Total revenues	1,195,118	7,943	1,203,061
EXPENSES			
Program	1,142,973	-	1,142,973
General and administrative	73,772	-	73,772
Fundraising	83,172	-	83,172
	1,299,917	-	1,299,917
CHANGE IN NET ASSETS	(104,799)	7,943	(96,856)
NET ASSETS, BEGINNING OF YEAR	(21,778)	99,842	78,064
NET ASSETS, END OF YEAR	<u>\$ (126,577)</u>	<u>\$ 107,785</u>	<u>\$ (18,792)</u>

SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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	Program Services	General and Administrative	Fundraising	Total
EXPENSES				
Bad debt expense	\$ -	\$ 6,331	\$ -	\$ 6,331
Bank charges	-	3,927	-	3,927
Equipment	103	660	-	763
Grants and scholarships	8,000	-	-	8,000
Insurance	-	2,698	-	2,698
Marketing	20,100	7,480	-	27,580
Medical services	909,770	-	-	909,770
Medical supplies	8,193	-	-	8,193
Meetings and education	24,066	1,349	-	25,415
Office expenses	623	13,050	-	13,673
Outside services and consulting	59,207	865	30,000	90,072
Payroll costs	279,197	61,302	-	340,499
Printing and postage	1,254	972	-	2,226
Professional fees	24,136	9,207	-	33,343
Rent and utilities	68,496	8,562	8,562	85,620
Special event expenses (Note 9)	-	-	80,702	80,702
Tax and licenses	-	436	-	436
Technology and communication	1,947	11,361	74	13,382
Travel	6,029	891	-	6,920
Volunteer recognition	3,645	1,236	-	4,881
	1,414,766	130,327	119,338	1,664,431
Less: Direct benefit to donors at special events included in revenue	-	-	(27,005)	(27,005)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	<u>\$ 1,414,766</u>	<u>\$ 130,327</u>	<u>\$ 92,333</u>	<u>\$ 1,637,426</u>

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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	Program Services	General and Administrative	Fundraising	Total
EXPENSES				
Bank charges	\$ 8	2,135	\$ 1,619	\$ 3,762
Dues and subscriptions	-	69	-	69
Grants and scholarships	8,000	-	-	8,000
Insurance	-	2,754	-	2,754
Interest expense	-	948	-	948
Marketing	21,221	339	1,863	23,423
Medical services	558,155	-	-	558,155
Medical supplies	10,838	-	-	10,838
Meetings and education	4,933	800	256	5,989
Office expenses	4,151	1,079	311	5,541
Outside services and consulting	110,316	7,525	-	117,841
Payroll costs	314,522	30,905	29,154	374,581
Printing	546	76	-	622
Professional fees	6,860	13,455	1,470	21,785
Rent and utilities	86,386	10,798	10,798	107,982
Special event expenses (Note 9)	-	-	58,304	58,304
Technology and communication	10,091	2,079	2,057	14,227
Travel	5,846	368	-	6,214
Volunteer recognition	1,100	442	-	1,542
	<u>1,142,973</u>	<u>73,772</u>	<u>105,832</u>	<u>1,322,577</u>
Less: Direct benefit to donors at special events included in revenue	<u>-</u>	<u>-</u>	<u>(22,660)</u>	<u>(22,660)</u>
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	<u><u>\$ 1,142,973</u></u>	<u><u>\$ 73,772</u></u>	<u><u>\$ 83,172</u></u>	<u><u>\$ 1,299,917</u></u>

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

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	<u>2019</u>	<u>2018</u>
CASH FLOWS USED BY OPERATING ACTIVITIES		
Change in net assets	\$ (110,219)	\$ (96,856)
ADJUSTMENT TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES		
Investment income, net	(6,120)	59,147
Changes in operating assets and liabilities:		
Grants and contracts receivable	(1,675)	7,464
Accounts receivable	(19,509)	(10,969)
Prepaid expenses	1,254	13,017
Accounts payable	15,998	(7,060)
Deferred revenue	43,304	(49,986)
Accrued expenses	(284)	(9,086)
	<u>32,968</u>	<u>2,527</u>
NET CASH USED BY OPERATING ACTIVITIES	(77,251)	(94,329)
CASH FLOWS (USED)/PROVIDED BY INVESTING ACTIVITIES		
Proceeds from the sale of investments	45,551	65,140
Purchases of investments	(6,106)	(14,697)
	<u>39,445</u>	<u>50,443</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds received from note payable	<u>37,038</u>	<u>43,885</u>
NET (DECREASE)/INCREASE IN CASH	(768)	(1)
CASH, BEGINNING	<u>49,486</u>	<u>49,487</u>
CASH, ENDING	<u><u>\$ 48,718</u></u>	<u><u>\$ 49,486</u></u>
SUPPLEMENTAL DISCLOSURES:		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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NOTE 1 THE ORGANIZATION

The San Diego Medical Society Foundation DBA Champions for Health (the "Foundation") is a California Nonprofit Organization. The Foundation's mission is to build a healthier San Diego by addressing unmet San Diego health care needs for all patients and physicians through education and innovation. The Foundation was formed as a separate non-for-profit corporation by the leadership of the San Diego County Medical Society ("SDCMS") in 2004 to facilitate volunteerism on the part of the SDCMS members, and SDCMS remains committed to the success of the Foundation, as demonstrated through donated services annually.

The Foundation's programs consist of the following initiatives:

Access to Care

The Foundation is in support of local organizations that provide direct care to the neediest of our community. By recruiting physicians who wish to donate their services, helping to connect the needy to low-cost specialty care, the Foundation is committed to playing an active role in solving this community-wide problem. The Foundation received donated services from over 699 physicians, as well as other health providers, totaling \$872,734 and \$538,564 for the years ended September 30, 2019 and 2018, respectively (see note 2). Additional donated services were provided directly to individuals totaling \$1,798,504 and \$1,670,578 based on normalized Medicare rates for the years ended September 30, 2019 and 2018, respectively. These donated services are not reflected in the financial statements.

Community Health Improvement

The Foundation supports community health and wellness through a variety of prevention activities, including free flu shots and other immunizations, blood pressure screening, breast cancer screening, community health education, and diabetes prevention education. These programs are provided to the community without charge.

Medical Student Support

By expanding the original mission of the organization, the Foundation provides scholarships to medical students and new residents serving in San Diego County. Additional support to the students includes:

- Expanded support of Student Legislative Day, where students participate with physicians from around California learning about legislative impact on healthcare policy and interacting with legislators in Sacramento.
- Opportunities to attend Surgery Day activities and observe operating room procedures.

These programs are developed to sensitize students to the needs of the San Diego community and to promote physician retention in San Diego after graduation and residency.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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Retired Physicians Society

The Foundation is convening retired physicians living in the San Diego community who are interested in continuing to use their talents and skills in a voluntary capacity. At quarterly meetings, members have an opportunity to network with a variety of community organizations that would value and utilize their concerns facing our community. The goal is to provide opportunities for retired physicians to connect with, become involved with, participate in, and offer leadership to organizations that serve the healthcare needs of the underserved in our community.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The accompanying financial statements are prepared using the accrual method of accounting 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 – Net assets without donor restrictions consist of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in its program 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 September 30, 2019 and 2018 the Organization had donor restricted net assets of \$94,512 and \$107,785, 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 and disclosures. Actual results could differ from these estimates.

Concentration of credit risk - The Foundation maintains its cash in bank deposit account which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash - The Foundation considers financial instruments with a fixed maturity date of less than three months to be cash equivalents. The Foundation maintains its bank accounts with a national bank.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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Property and equipment - Property and equipment are carried at cost or, if donated, at approximate value at the date of the gift. The Foundation follows the practice of capitalizing expenditures in excess of \$2,500. Expenditures for repairs and maintenance are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of three years. Property and equipment acquired by SDCMS, a related party by common board membership, are used by the Foundation for operating purposes. SDCMS and the Foundation have an agreement in place for shared costs.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Gains and losses are included in the statements of activities and changes in net assets.

Fair value measurement - The Foundation follows accounting standards which define fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Fiscal agency - The Foundation acts as a fiscal agent for the Cancer Care Fund. When nonprofit Foundations function as an agent helping donors make contributions to another entity, they do not receive a contribution when they receive the assets, nor do they make a contribution when they disburse the assets to the other entity. Instead they act as go-betweens, passing the assets from the donor through the Foundation to the specified entity, and accordingly, record the funds as a liability. FASB ASC 958-605 establishes standards for transactions in which an entity, the donor, makes a contribution by transferring assets to a nonprofit, a recipient entity, that accepts the assets from the donor and agrees to use those assets as specified by the donor.

Funds held by the Foundation for use by the Cancer Care Fund at September 30, 2019 and 2018 were \$9,663.

Advertising - The Foundation follows the policy of expensing advertising costs as incurred. Advertising expense was \$7,480 and \$3,323 for the years ended September 30, 2019 and 2018, respectively. The majority of advertising expenses incurred by the Company were contributed by SDCMS and recorded as an in-kind contribution.

Deferred revenue - Revenue received in advance of a special event are deferred. The revenues are recognized when the event occurs.

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 statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as unrestricted support in that period.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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Grant and contract revenue - Grant and contract revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant or the contract. A receivable is recorded when revenue earned under a grant or contract exceeds the cash received. Deferred grant and contract revenue is recorded when cash received under a grant or contract exceeds the revenue earned. Grants and contracts receivable totaled \$21,388 and \$19,713 at September 30, 2019 and 2018, respectively.

In-kind contributions - In-kind contributions are reflected as contributions at fair value at the date of donation and are reported as unrestricted support unless specific donor stipulations specify how donated assets must be used. All donated services recognized created a non-financial asset or required specialized skills that would have been purchased if not donated. The Foundation received in-kind donations for medical services for individuals in need of care. The value of donated services totaled \$872,734 and \$538,564 for the years ended September 30, 2019 and 2018, respectively. The fair market value of contributed professional services is reported as support and expense in the period in which the services are performed. There are numerous other individuals who volunteer their time and perform a variety of tasks to assist the Foundation with the medical program, fundraising, and administrative support. No amounts have been reflected in the financial statements for these donated services as they do not meet the criteria for recognition as contributions. The Foundation benefited from in-kind donations from SDCMS of rent and marketing expenses of \$82,893 and \$90,282 for the years ended September 30, 2019 and 2018, respectively.

Income taxes - The Foundation 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 Foundation, however, may be subject to tax on income which is not related to its exempt purpose. For the years ended September 30, 2019 and 2018, no such unrelated business taxable income was reported and, therefore, no provision for income taxes has been made.

The Foundation follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the Foundation's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or to be taken in a tax return. As of September 30, 2019 and 2018, the Foundation has not accrued interest or penalties related to uncertain tax positions. The Foundation 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 Organization's management elected to adopt ASU 2016-14 effective in the year ending June 30, 2019.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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The new standards change the following aspects of Organization's financial statements:

- The temporarily and permanently restricted net asset class have been combined and renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The functional expenses and net asset disclosures (note 7) were expanded.
- The financial statements include a new disclosure about liquidity and availability of resources (note 12).

Reclassifications – Certain reclassifications were made to comply with the adoption of ASU 2016-14

NOTE 3 INVESTMENTS

The Foundation's investments consist of the following:

	2019	2018
Mutual funds	\$ 52,689	\$ 49,478
Mortgage fund	-	36,536
	<u>\$ 52,689</u>	<u>\$ 86,014</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended September 30, 2019:

	Unrestricted	Temporarily restricted	Total
Realized and unrealized gains	<u>\$ 6,120</u>	<u>\$ -</u>	<u>\$ 6,120</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended September 30, 2018:

	Unrestricted	Temporarily restricted	Total
Realized and unrealized gains	<u>\$ (59,147)</u>	<u>\$ -</u>	<u>\$ (59,147)</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2018	2017
Office equipment	\$ 2,524	\$ 2,524
Accumulated depreciation	(2,524)	(2,524)
	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the years ended September 30, 2019 and 2018 was \$0.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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NOTE 5 FAIR VALUE MEASUREMENT

The Foundation follows the methods of fair value to value its financial assets and liabilities. 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.

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Investments including money market accounts are in actively traded markets and are classified as Level 1.

The Mortgage Fund is measured using values provided by Dunham & Associates and are classified as Level 3. The values are based on the fair market value of the underlying cash and securities.

Mutual fund shares are valued at quoted market prices in an exchange and active markets, which represent the net asset values of shares held at year end and are classified as Level 1 investments.

Financial assets and liabilities carried at fair value measured on a recurring basis at September 30, 2019 and 2018 are classified in one of the three categories previously mentioned.

The table below presents the balances of assets measured at fair value as of September 30, 2019 on a recurring basis:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 52,689	\$ -	\$ -	\$ 52,689

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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Changes in Level 3 financial instruments during the year ended September 30, 2019 were as follows:

	Mortgage fund
Balance at October 1, 2018	\$ 36,536
Sales and settlements	(36,536)
Balance at September 30, 2019	<u>\$ -</u>

The table below presents the balances of assets measured at fair value as of September 30, 2018 on a recurring basis:

	Level 1	Level 2	Level 3	Total
Mortgage fund	\$ -	\$ -	\$ 152,614	\$ 152,614
Mutual funds	42,608	-	-	42,608
Money market fund	383	-	-	383
	<u>\$ 42,991</u>	<u>\$ -</u>	<u>\$ 152,614</u>	<u>\$ 195,605</u>

Changes in Level 3 financial instruments during the year ended September 30, 2018 were as follows:

	Mortgage fund
Balance at October 1, 2017	\$ 152,614
Sales and settlements	(116,078)
Balance at September 30, 2018	<u>\$ 36,536</u>

NOTE 6 NOTE PAYABLE

In September 2017, the Foundation entered into a loan agreement with San Diego County Medical Society, a related party through common board membership. As of September 30, 2019, the balance of the note was \$156,012. The note payable bears no interest and matures in May 2025. The note payable is secured by the investments held in the Dunham Investment account.

The summary of principal maturities required under the note payable for the fiscal years ended September 30 are as follows:

2020	18,000
2021	18,000
2022	18,000
2023	18,000
2024	84,012
	<u>\$ 156,012</u>

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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NOTE 7 NET ASSETS

Net assets consist of the following:

	2019	2018
Without donor restrictions:	\$ (223,523)	\$ (126,577)
With donor restrictions:		
Project access	27,949	20,817
Houkum, MD memorial scholarship fund	24,970	32,970
Colorectal cancer	16,327	14,852
Simon/Hertzka	11,624	11,624
Physician education	10,910	-
Immunizations	2,732	451
Speakers bureau	-	16,917
Breast cancer	-	8,929
Scholarships	-	1,225
	<u>94,512</u>	<u>107,785</u>
Total net assets	<u>\$ (129,011)</u>	<u>\$ (18,792)</u>

The accounting pronouncement changes had the following effect on net assets at September 30, 2018.

	As originally presented	After adoption of ASU 2016-14
Net asset class:		
Unrestricted	\$ (126,577)	\$ -
Temporarily restricted	74,815	-
Permanently restricted	32,970	-
Net assets without donor restrictions	-	(126,577)
Net assets with donor restrictions	-	107,785
	<u>\$ (18,792)</u>	<u>\$ (18,792)</u>

NOTE 8 EMPLOYEE RETIREMENT PLAN

The Foundation sponsors a 401 (k) plan for all eligible employees. The Foundation matches 100% of all eligible employees' contributions up to 6% of gross pay. The Foundation's contribution to the retirement plan for the years ended September 30, 2019 and 2018 was \$13,868 and \$20,827, respectively.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

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NOTE 9 SPECIAL EVENTS

Special event revenues and expenses are directly related to Aces for Health Golf and Tennis Tournament and Solana Beach Sunset 5k Run and consist of the following for the years ended September 30:

	2019	2018
Revenue:		
Champions Soiree	\$ 51,399	\$ -
Solana beach 5k	38,516	-
Other events	9,844	-
Heroes fall event	-	65,444
Aces for health	-	29,736
	<u>99,759</u>	<u>95,180</u>
Expenses:		
Champions Soiree	27,895	-
Solana beach 5k	41,621	-
Other events	11,186	434
Heroes fall event	-	27,830
Aces for health	-	30,040
	<u>80,702</u>	<u>58,304</u>
Net special events income	<u>\$ 19,057</u>	<u>\$ 36,876</u>

NOTE 10 RELATED PARTY TRANSACTIONS

The Foundation receives contributions from SDCMS, a related party through common board membership. Amounts received from SDCMS, which were forwarded from individual contributions that were collected through dues payments, for the year ended September 30, 2019 and 2018 were \$12,043 and \$13,746, respectively, and are recorded as unrestricted contributions on the Statement of Activities and Changes in Net Assets.

The Foundation reimburses SDCMS, a related party through common board membership, for certain operational expenses. The Foundation had amounts due to SDCMS for reimbursement of expenses of \$0 at September 30, 2019 and 2018. The following is a summary of expenses reimbursed to SDCMS for the year ended September 30, 2019 and 2018:

	2019	2018
Rent and utilities	\$ 62,793	\$ 70,182
Other overhead expenses	20,100	20,100
	<u>\$ 82,893</u>	<u>\$ 90,282</u>

In September 2017, the Foundation entered into a loan agreement with a related party through common board membership (See Note 6).

In June 2016, the Foundation entered into a sub-lease agreement with San Diego County Medical Society, a related party through common board membership (See Note 11).

SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

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NOTE 11 COMMITMENTS

In June 2016, the Foundation entered into a sub-lease agreement with San Diego County Medical Society, a related party through common board membership. As part of the agreement, the Foundation is obligated to pay \$1,847 per month, for 54 months, for rent. The Foundation is also obligated to pay \$52, per employee, per month, for the use of equipment and \$80, per employee, per month, for the use of telephone and internet services. Both parties agreed to exercise a renewal option 18 months prior to the expiration of this agreement.

Minimum future lease payments related to office space and equipment are due as follows for the years ended September 30:

2020	34,831
2021	<u>11,610</u>
	<u>\$ 46,441</u>

NOTE 12 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is substantially supported by contributions with donor restrictions and In-kind donations. 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 following reflects the Organization's financial assets as of September 30, 2019, reduced by any amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets, at year-end:

Cash	\$ 48,718
Investments	52,689
Grants and contracts receivable	21,388
Accounts receivable	<u>39,865</u>
Total financial assets	162,660

Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:

Restricted by purpose	<u>(94,512)</u>
-----------------------	-----------------

Financial assets available to meet cash needs for general expenditures within one year

\$ 68,148

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION
DBA CHAMPIONS FOR HEALTH
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

Page 20

NOTE 13 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 4, 2020, the date the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.

**Board of Directors
FY 2020-2021****Executive Committee**

Al Ray, M.D.	Board President
Jeffrey Willmann	Vice President
Daniel “Stony” Anderson, MD	Treasurer & Secretary
Paul Hegyi	CEO, San Diego County Medical Society
James T. Hay, M.D.	Founding Board Member
James Schultz, M.D.	Medical Director PASD

Board of Directors

Daniel “Stony” Anderson, MD, Kaiser Permanente and California Colorectal Cancer Coalition
Keerti Gurushanthaiah, M.D., Infertility, Gynecology & Obstetrics (IGO Specialists)
James Hay, M.D., North County Family Medical Group
Paul Hegyi, MBA, CEO, San Diego County Medical Society
Liliana Osorio, Deputy Director, The Health Initiative of the Americas, UC Berkeley
Kathy Hahn, CFP, Aldrich Wealth Advisors
Al Ray, M.D., Southern California Permanente Medical Group
Kosala Samarsinghe, MD, internal medicine, Scripps Coastal
James Schultz, M.D., Medical Director PASD, Neighborhood Healthcare CMO
Meg Storer, VP Government & Community Relations, 211 San Diego
Reneé Wailes, DDS (retired), Board of Directors The Old Globe Theatre
Jeffrey Willmann, MedDataQuest
Nick Yphantides, M.D., CMO, San Diego County Health and Human Services Agency



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248162350
Jan. 16, 2015 LTR 4168C 0
95-2568714 000000 00
00020630
BODC: TE

SAN DIEGO COUNTY MEDICAL SOCIETY
FOUNDATION
5575 RUFFIN ROAD
SAN DIEGO CA 92123

014704

Employer Identification Number: 95-2568714
Person to Contact: Mr Edwards
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Jan. 07, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in December 1968.

Our records also indicate that 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.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.



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

Entity Status Letter

Date: 10/6/2020

ESL ID: 7343496825

Why You Received This Letter

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

Entity ID: 0545424

Entity Name: SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION

- ☒ 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 d.
- ☐ 4. We do not have current information about the entity.
- ☐ 5. The entity was administratively dissolved/cancelled on _____ through the Franchise Tax Board Administrative Dissolution process.

Important Information

- This information does not necessarily reflect the entity's current legal or administrative status with any other agency of the state of California or other governmental agency or body.
- If the entity's powers, rights, and privileges were suspended or forfeited at any time in the past, or if the entity did business in California at a time when it was not qualified or not registered to do business in California, this information does not reflect the status or voidability of contracts made by the entity in California during the period the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
- The entity certificate of revivor may have a time limitation or may limit the functions the revived entity can perform, or both (R&TC Section 23305b).

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



SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page

(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: Fraternity House, Inc. Dignity Project for Resident Outings Date Submitted: 10/7/20	Total # of people served: 35 Total # of San Marcos residents served: 8-15 annually	Amount Requested: \$5,000
Non-Profit Organization Name, Address, Website Fraternity House, Inc. (FHI) 20702 Elfin Forest Road Escondido, CA 92029 https://fraternityhouse-inc.org/ https://www.facebook.com/FraternityHouseInc/		Contact Person – Name, Title & Phone, email Klara Arter Director of Development (619) 838-2479 Klara@fraternityhouse-inc.org
<p><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u> Fraternity House—a San Marcos Residential Care Facility for the Chronically-Ill (RCF-CI) serving extremely low-income and homeless individuals disabled by HIV/AIDS—requests a \$5,000 grant from SMCF to fund a portion of <i>The Dignity Project</i>, FHI’s wraparound resident services program providing quality of life outings, goal-oriented wellness activities, life skills development, and coordinated transportation in support of resident health, goal achievement, and independence. With SMCF’s support, we will ensure Fraternity House residents have access to socially distanced, one-to-one, and/or small group outings to San Marcos businesses for shopping, entertainment, and personal needs. Funding will also assist in providing individualized in-home life skills/wellness activities, and transportation to local recreation destinations as allowed. Specifically, grant funds will be directed toward both the salary of FH Activities Director and earmarked for select direct program costs including activity supplies and vehicle insurance not covered by other funding sources.</p> <p><u>Briefly describe the significance of your request to the San Marcos community:</u> Fraternity House represents the only publically funded shelter in San Marcos for homeless and indigent populations. Our two North San Diego County care homes are the only licensed RCF-CI’s in the whole of San Diego County. FHI remains deeply committed to ensuring quality of life for our residents while protecting their health as we cautiously navigate life since COVID-19. Much like other facilities, we went into full lockdown in mid-March. Similar to other shelters or assisted living our population is vulnerable, low-income, disadvantaged and/or aging with comorbidities. But FHI residents are also immunocompromised by their HIV status. Residents maintain a rigorous medication schedule in order to maintain an undetectable viral load. Many lack a psychosocial/ emotional support structure outside of the FHI family, making our wrap-around programming critical at this time. Starting in September, staff has begun arranging short, outdoor, socially-distanced outings close to home and 1:1 shopping trips. At a time when shelter + care has never been more important; our staff provide frontline care and essential services. In fact, these outings, in-home life skills classes and wellness activities have been, the only consistent community engagement and connection to the “outside world” during this long and weary time. By supporting resident outings and activities, SMCF supports civic diversity, the local business community, and promotes individual quality of life, wellness, and self-sufficiency for all its citizens.</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 unit3. Federal & State Tax ID numbers4. Board of Directors listing with affiliations <p>5. Regular Grants Only:</p> <ol style="list-style-type: none">a. 1-2 page narrativeb. First 2 pages of Federal 990c. Most recent year-end Statement or Audit including any management letters associated with Audit.d. Signature of President or Authorized Officer on Applicatione. Optional: letters of support		<p>Expected date project will begin/end: 1/1/21 Date by which funds will be expended: 12/31/21</p> <hr/> <p>Signature of President or Authorized Officer Name, Title _____ Date <u>Oct. 7, 2020</u> Patrick Anderson, Board Pres. & Exec. Director</p> <hr/> <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): jcadima@san-marcos.net</p>

Fraternity House Inc. is thankful for all of the SMCF's past support of our programs. This year we are seeking a grant of \$5,000 to fund a portion of *The Dignity Project*, our wraparound service program providing local outings, wellness activities, life skills development, and transportation to our vulnerable residents living with HIV/AIDS. This request specifically seeks to guarantee this programming for the diverse and disadvantaged residents of Fraternity House, our San Marcos Residential Care Facility for the Chronically-Ill (RCF-CI), where some of our highest-need, elderly, and disabled clients reside. With your support, a host of appropriate activities, shopping trips, and socially distanced outings coordinated by FHI's Activities Director, will be offered. The programming ensures whole-person wellness, quality of life, goal achievement, and independence for Fraternity House residents through these unprecedented times.

FHI operates two non-profit North County care homes—one in San Marcos, and one in Vista. They are the only State-licensed RCF-CI's in San Diego County, serving as a "last-stop" in our regional HIV care continuum and safe landing for those with a variety of barriers to stable housing and access to treatment. We provide 24-hour care, healthy meals, medical and non-medical case management, managed access to antiretroviral therapies, semi-independent transitional living apartments, and wrap-around support services including recreation, transportation to local shopping, and access to sobriety support groups and other resources within the San Marcos community and beyond. 100% of all FHI residents are considered very low income and 95% qualify as extremely low-income. 100% have secondary health issues and comorbidities, such as chronic illness, a disability, and/or dual-diagnosis conditions. The majority are in short- or long-term recovery with a history of homelessness. Our sliding scale rent model is more cost-effective than other facilities and keeps beds free in hospitals, ERs, and Skilled Nursing Facilities. No one is turned away, regardless of ability to pay. The Fraternity House location is nestled down a quiet private drive in the peaceful Elfin Forest, about a mile from San Elijo Townsquare. With normal capacity for eight residents*, the home typically serves up to 15 individuals annually. Currently 100% of Frat House residents are either on hospice or are physically and/or mentally disabled, 50% are Black, 16.6% Latino, 16.6% Native American, and 16.6% White. (*licensing requires one bed remain open in case of a quarantine situation.)

Founded in 1988 as San Diego County's first AIDS hospice, FHI is no stranger to an unpredictable, destructive, novel virus turned pandemic. Much like other assisted living facilities, our care homes reacted quickly and residents went into full lockdown in mid-March. We increased health and safety monitoring, increased frequency around infection control/sanitizing; halted our visitors/volunteers, resident outings, and shuttle loops; expanded in-house life skills/wellness activities, and provided access to Tele-Med and counseling services. It has only been in recent weeks that staff has begun arranging short, outdoor, socially-distanced outings and 1:1 shopping trips.

In the past six months, our Activities Director and our Wellness Coordinator have played an important role helping meet resident's basic needs, whether it's a trip to Albertsons for a hearing aid battery, a Mexican food fix at Lourdes, or simply a friendly face and morale-boosting socially distanced walk in the park. This team's efforts and custom wellness curriculum are proving vitally important to our residents' mental health and emotional stability. The team expanded in-house activities and life skills in April 2020 with offerings such as: art and crafts, baking, gardening, games, and mindfulness/meditation exercises. An in-kind donation drive for art and baking supplies was held in May to support shelter-in-place creativity. A custom crossword puzzle was made with fun resident facts. Part of the team's responsibilities is to ensure resident birthdays are celebrated with cake and a gift. In May, one Fraternity House resident celebrated his special day for the first time in over a decade following a stroke and history of chronic homelessness. The party was good for everyone's morale.

Just recently we started up small group outings and 1:1 shopping trips. We ensure all residents wear masks when out of the house. Residents have taken a walk at the beach and staged a faux camping trip for the sole purpose of getting out of the house and making s'mores around a campfire. It was the first time many of the residents had ever experienced s'mores. Additionally, in recent months, staff have taken a more active role in one-on-one case management, providing hands-on support for personal needs, goal setting and achievement. For example, *Dignity Project* staff helped track down one resident's long-lost daughter after he suffered amnesia and became disabled. We also celebrated the graduation of two of our Residents, who rebuilt their health and life and moved out to our newest program—FHI has five Semi-Independent Living Apartments—with 10 beds. Our program has grown dramatically since our last SMCF grant.

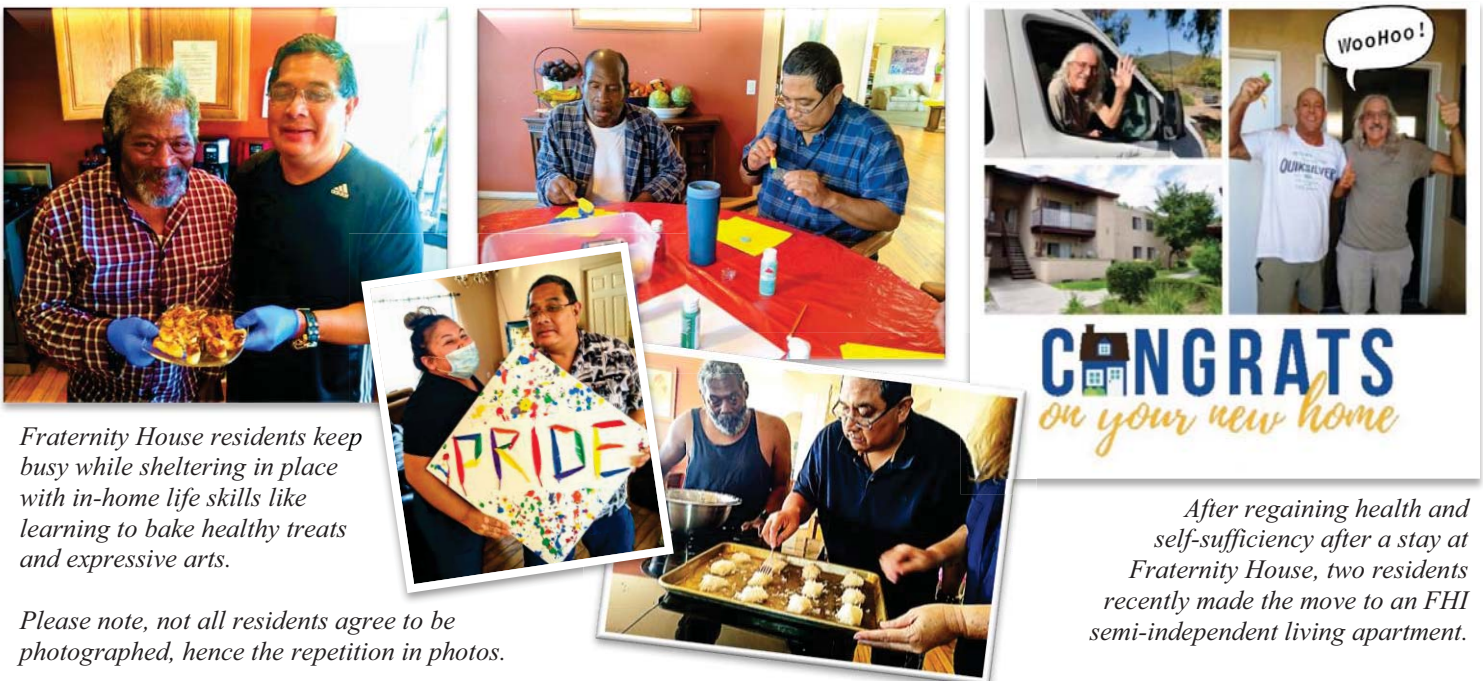
Short outings and social interactions are incredibly important to our residents' (and human) health. According to recent AARP reports, evidence has long shown that social isolation is a serious health risk which can increase rates of mortality, rivaling that of smoking, obesity and high blood pressure. Indeed loneliness and isolation are associated with increased depression, anxiety, and suicidal thoughts, and a 50% increased risk of onset dementia, 32% higher risk of stroke, and a

nearly fourfold risk for heart failure. Meanwhile and unfortunately, coronavirus lockdown measures are triggering these effects in assisted living facilities nationwide, spurring both a crisis and wellspring of care team creativity. Our vulnerable, disabled, and extremely low-income residents have multiple existing health risks and barriers to care; they have been largely isolated since March and are certainly not exempt from this AARP researched trend. At a time when being sheltered has never been more important, team FHI is proud to serve them and the San Marcos community. Now in our 32nd year, our supportive housing program has established a legacy of love by creating a family-home environment. Over the years we have continued to evolve and adapt to meet the frontline needs of those entrusted to our care. Through the *Dignity Project* programming, technology, and mental health support we are able to ensure best practices and whole-person care. Our model is recognized by the joint San Diego City/County HIV Housing Plan as filling a key provider niche in our regional HIV/AIDS care continuum. Considering the circumstances, we remain thankful to be meeting our mission, business as usual, with health intact and households engaged with flexible, ever-evolving outings and activities made possible by our dedicated team and community members like SMCF. Residents have taken to lightheartedly chalking-up the all too frequent, and sometimes rather disappointing, “quarantine no’s” to a one-liner—“PAUL SAID,” in reference to our Administrator’s efforts to meet State licensing’s COVID-19 mandates.

It goes without saying, our commitment to protect the health and safety of our immunocompromised residents has taken precedence over all else, including specific measurable outcomes and grant deliverables in recent months. We have not relied on outings to ensure community engagement, *Dignity Project* staff have, somewhat ironically, themselves become a source for community engagement. Along with a handful of other frontline care workers, they have been the only consistent connection to the “outside world” most residents have had. Should conditions change and become safer in 2021, Ryan and his team will cautiously resume transportation loops to sobriety support meetings, the library, and group trips to shopping and other civic resources and destinations. However we anticipate it may be a while before residents may host visitors, go offsite on their own, or participate in their normal rigorous social calendar as before, making our creatively curated and socially distanced programming a fundamental part of their overall health and daily experience.

We would sincerely appreciate the San Marcos Community Foundation’s support to ensure community engagement, whole-person wellbeing, and quality of life for our residents. SMCF grant partnership will contribute to broader public health goals outlined in our County’s “Getting to Zero” Implementation Plan, which emphasizes viral suppression and treatment as prevention (TasP) to reduce infection rates. Additional program support is anticipated from private donors, events like AIDS Walk, and the County’s Community Enhancement Program.

Thank you for your consideration of this request. Please contact Director of Development Klara Arter at (619) 838-2479 or email klara@fraternityhouse-inc.org with any questions, to request a video, or schedule an off-site meeting. Were it not for visitor restrictions, we would welcome SMCF committee members to visit and tour our San Marcos facility to meet with residents and see firsthand how we are making a real, tangible difference in their lives. As a community, we must remain vigilant in protecting public health. At Fraternity House, this begins and ends with ensuring the dignity and quality of life for our residents. We hope you’ll join us. Once again, on behalf of the entire FHI family, thank you for your support. Below are some pictures from recent indoor activities at Fraternity House and outings in the San Marcos area.



SAN MARCOS COMMUNITY FOUNDATION

Budget Worksheet

The Dignity Project: Fraternity House Resident Outings, Activities & Quality of Life
Date Submitted: 10/7/20

FHI Activities Director Annual Full-Time Salary_____	\$48,000
FHI Wellness Coordinator PT Salary_____	\$19,500
Annual Van Expenses (Insurance Premium: \$6,262)_____	\$16,600
Annual Direct Expenses: <i>(supplies, transit passes, tickets, birthdays, etc.)</i> ____	\$18,000
_____	\$_____
_____	\$_____
_____	\$_____
_____	\$_____
_____	\$_____
_____	\$_____
_____	\$_____
_____	\$_____
_____	\$_____
Total budget for this PROJECT:	\$102,100

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

*The Dignity Project serves residents at all locations, the San Marcos and Vista care homes as well as the semi-independent living apartments. SMCF funding is intended to specifically guarantee that the residents of Fraternity House, our San Marcos facility, benefit from these valuable services.

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).

\$12,000 _____ County of San Diego, Community Enhancement Program _____ **P
\$ Balance _____ FHI Private Donors & events like AIDS Walk _____ **C
\$5,000 _____ Nordson Foundation **_C, CD_____
\$ _____ (Name of source) _____ **

FRATERNITY HOUSE INC.
2020-2021 Budget
 July 1, 2020 - June 30, 2021

	<u>Proposed 2020-21</u>
Revenue	
Donations Income	114,000.00
Grants - Govt	826,129.00
Grants - Private	95,325.00
Misc/Interest Income	600.00
Resident Income	130,000.00
Special Events	18,000.00
Total Revenue	\$ 1,184,054.00
Expenditures	
Benefits	142,500.00
Dues, Education & Training	1,000.00
Household Expense	61,800.00
Insurance	44,800.00
Job Development	2,500.00
Marketing/Outreach	6,200.00
Office Expense	9,500.00
Payroll	592,272.25
Permits & Licenses	2,500.00
Postage and Delivery	1,000.00
Professional Fees	9,800.00
Repairs and Maintenance	65,000.00
Resident Rent Reimbursement	0.00
Special Event Expense	6,500.00
Travel & Mileage	3,000.00
Uncategorized/Misc. Expenses	1,000.00
Utilities	43,600.00
Van expenses	16,600.00
Total Expenditures	\$ 1,009,572.25
Other Expenditures	
Dignity Project Expenses	18,000.00
Independent Living Expenses	156,481.75
Total Other Expenditures	\$ 174,481.75
Net Total Expenditures	\$ 1,184,054.00
Net Revenue	\$ 0.00



CINCINNATI OH 45999-0038

In reply refer to: 0248344558
Nov. 24, 2015 LTR 4168C 0
33-0306861 000000 00
00013633
BODC: TE

FRATERNITY HOUSE INC
20702 ELFIN FOREST RD
ESCONDIDO CA 92029



011266

Employer ID Number: 33-0306861
Form 990 required: YES

Dear Taxpayer:

This is in response to your request dated Nov. 13, 2015, regarding your tax-exempt status.

We issued you a determination letter in December 1992, 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 Sections 509(a)(1) and 170(b)(1)(A)(vi).

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).



Registrant Details

Entity type: Corporate Class as registered with the Secretary of State or based on founding & registration documents.

Organization Name:	FRATERNITY HOUSE, INC.	IRS FEIN:	330306861
Entity Type:	Public Benefit	SOS/FTB Corporate/Organization Number:	1615638
Registry Status:	Current	Renewal Due/Exp. Date:	11/15/2020
RCT Registration Number:	072180	Issue Date:	6/30/2005
Record Type:	Charity Registration	Effective Date:	6/30/2005
Date This Status:	8/12/2020	Date of Last Renewal:	8/12/2020
DBA:			

Mailing Address

Street: 20702 ELFRIN FOREST RD
Street Line 2:
City, State Zip: ESCONDIDO CA 92029

Filings & Correspondence



Alex Padilla
California Secretary of State



Business Entities (BE)

Online Services

[File LLC Statement of Information](#)

[File Corporation Statement of Information](#)

[Business Search](#)

[Publicly Traded Disclosure Search](#)

[Current Processing Dates](#)

Service Options

[Name Availability](#)

[Forms, Samples & Fees](#)

[Statements of Information \(annual/biennial reports\)](#)

Filing Tips

[Information Requests \(certificates, copies & status reports\)](#)

[Service of Process](#)

[FAQs](#)

[Contact Information](#)

[Resources](#)

Business Search - Entity Detail

The California Business Search is updated daily and reflects work processed through Tuesday, October 6, 2020. Please refer to document [Processing Times](#) for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity. Not all images are available online.

C1615638 FRATERNITY HOUSE, INC.

Registration Date: 05/31/1988
Jurisdiction: CALIFORNIA
Entity Type: DOMESTIC NONPROFIT
Status: ACTIVE
Agent for Service of Process: MATT HARDING
20702 ELFIN FOREST RD
ESCONDIDO CA 92029
Entity Address: 20702 ELFIN FOREST RD
ESCONDIDO CA 92029
Entity Mailing Address: 20702 ELFIN FOREST RD
ESCONDIDO CA 92029

[Certificate of Status](#)

A Statement of Information is due EVERY EVEN-NUMBERED year beginning five months before and through the end of May.

Document Type	File Date	PDF
SI-COMPLETE	03/02/2018	PDF
SI-COMPLETE	12/09/2016	PDF
REGISTRATION	05/31/1988	PDF



State of California Secretary of State

N

Statement of Information

(Domestic Nonprofit, Credit Union and General Cooperative Corporations)

Filing Fee: \$20.00. If this is an amendment, see instructions.
IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FU98246**FILED**

In the office of the Secretary of State
of the State of California

MAR-02 2018**1. CORPORATE NAME**

FRATERNITY HOUSE, INC.

2. CALIFORNIA CORPORATE NUMBER

C1615638

This Space for Filing Use Only

Complete Principal Office Address (Do not abbreviate the name of the city. Item 3 cannot be a P.O. Box.)**3. STREET ADDRESS OF PRINCIPAL OFFICE IN CALIFORNIA, IF ANY**

CITY

STATE

ZIP CODE

20702 ELFIN FOREST RD, ESCONDIDO, CA 92029

4. MAILING ADDRESS OF THE CORPORATION

CITY

STATE

ZIP CODE

20702 ELFIN FOREST RD, ESCONDIDO, CA 92029

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)**5. CHIEF EXECUTIVE OFFICER/**

ADDRESS

CITY

STATE

ZIP CODE

PATRICK ANDERSON 20702 ELFIN FOREST RD, ESCONDIDO, CA 92029

6. SECRETARY

ADDRESS

CITY

STATE

ZIP CODE

LAURA SCHAEFER 20702 ELFIN FOREST RD, ESCONDIDO, CA 92029

7. CHIEF FINANCIAL OFFICER/

ADDRESS

CITY

STATE

ZIP CODE

SCOTT GUILTNER 20702 ELFIN FOREST RD., ESCONDIDO, CA 92029

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 9 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 9 must be left blank.**8. NAME OF AGENT FOR SERVICE OF PROCESS** [Note: The person designated as the corporation's agent MUST have agreed to act in that capacity prior to the designation.]

MATT HARDING

9. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL

CITY

STATE

ZIP CODE

20702 ELFIN FOREST RD, ESCONDIDO, CA 92029

Common Interest Developments

10. ☐ Check here if the corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act, (California Civil Code section 4000, et seq.) or under the Commercial and Industrial Common Interest Development Act, (California Civil Code section 6500, et seq.). The corporation must file a Statement by Common Interest Development Association (Form SI-CID) as required by California Civil Code sections 5405(a) and 6760(a). Please see instructions on the reverse side of this form.

11. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

03/02/2018

MATTHEW LEWIS HARDING

EXECUTIVE DIRCETOR

DATE

TYPE/PRINT NAME OF PERSON COMPLETING FORM

TITLE

SIGNATURE

Fraternity House
20702 Elfin Forest Road
Escondido, CA 92029
(760) 736-0292



Michaelle House
687 Riviera Court
Vista, CA 92084
(760) 758-9165

Fraternity House, Inc. Board of Directors 2019 – 2020

Board President

Patrick M. Anderson

Affiliation: Human Resources Director (Retired)
805 Tumbleweed Lane
Fallbrook, CA 92028
(760) 285-8043
pmand02@yahoo.com

Vice President

Mike Walker

Affiliation: Owner, AAA LiveScan
DOJ Certified Fingerprinter
800 Grand Ave #C9
Carlsbad, CA 92008
(760) 434-3533
mwlivescan@att.net

Secretary

Laura Schaefer

Affiliation: Social Worker (Retired)
715 Orpheus Avenue
Encinitas, CA 92024
(760) 753-0880
lauraschaefer@cox.net

Treasurer

Scott Guiltner

Affiliation: Small Business Owner
2442 Tamara Lane
San Marcos, CA 92069
(760) 207-7247
scott@fastnow.org

Development Chair

Lisa Lipsey

Affiliation: Eldercare Admin./Fundraising
1766 Corte Ventana
Oceanside, CA 92056
(760) 822-3764
lisathegrantwriter@yahoo.com

Board Members

Mary Anthony

Affiliation: Case Manager
1511 Stewart Street
Oceanside, CA 92054
(760) 518-6997
mary.anthony@nchs-health.org

Dr. Samuel Poniachik, MD

Affiliation: Internal Medicine
North County Health Services
150 Valpreda Road
San Marcos, CA 92069
dygomez@cox.net

Holly Teetzel

Affiliation: Registered Nurse (Retired)
14261 Minorca Cove
Del Mar, CA 92014-2932
holly.teetzel@gmail.com

Return of Organization Exempt From Income Tax

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

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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 2018 calendar year, or tax year beginning 7/01, 2018, and ending 6/30, 2019

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Fraternity House Inc.
20702 Elfin Forest Road
Escondido, CA 92029

D Employer identification number

33-0306861

E Telephone number

760-736-0292

G Gross receipts \$ 913,632.

H(a) Is this a group return for subordinates? Yes ☐ No ☒H(b) Are all subordinates included? Yes ☐ No ☐
If "No," attach a list. (see instructions)I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527J Website: www.fraternityhouse-inc.org

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1988 M State of legal domicile: CA

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>Provide comprehensive care and services for men and women living with HIV/AIDS.</u>		
	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	7
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	35
	6	Total number of volunteers (estimate if necessary)	6	150
Revenue	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 38	7b	0.
	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	628,420.	785,332.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	59,678.	98,470.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		195.
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)	34,326.	24,818.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	722,424.	908,815.
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	Expenses	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	471,797.
16a		Professional fundraising fees (Part IX, column (A), line 11e)		
b		Total fundraising expenses (Part IX, column (D), line 25) ▶	56,808.	
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	211,297.	302,298.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	683,094.	957,201.
19		Revenue less expenses. Subtract line 18 from line 12	39,330.	-48,386.
Net Assets or Fund Balances		20	Total assets (Part X, line 16)	Beginning of Current Year
	21	Total liabilities (Part X, line 26)	522,718.	493,270.
	22	Net assets or fund balances. Subtract line 21 from line 20	11,959.	30,897.

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	
	Scott Guiltner		Treasurer	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
		Self-Prepared		
	Firm's name ▶			
	Firm's address ▶			
			Firm's EIN ▶	
			Phone no.	

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 ☒ **X****1** Briefly describe the organization's mission:See Schedule O**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? See Schedule O☒ **X** **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** ☒ **X** **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 \$ 822,859. including grants of \$ 605,187.) (Revenue \$ 217,672.)See Schedule O**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 ▶ 822,859.



Sonnenberg & Company, CPAs

A Professional Corporation

5190 Governor Drive, Suite 201, San Diego, California 92122

Phone: (858) 457-5252 • (800) 464-4HOA • Fax: (858) 457-2211 • (800) 303-4FAX



Leonard C. Sonnenberg, CPA

**Fraternity House, Inc.
Audited Financial Statements
Year Ended June 30, 2018**

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Leonard C. Sonnenberg, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fraternity House, Inc.

We have audited the accompanying financial statements of Fraternity House, Inc. (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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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 audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Fraternity House, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited Fraternity House, Inc.'s June 30, 2017 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 31, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

January 11, 2019



Sonnenberg & Company, CPAs

Fraternity House, Inc.
Statements of Financial Position
June 30, 2018
(With Comparative Totals for June 30, 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 123,420	\$ 11,960
Government Contracts/Grants Receivable	102,549	184,959
Rent Receivable - Residents	6,188	393
Rent Receivable - San Diego County	-	22,531
Prepaid Expenses	4,940	3,023
Property & Equipment	649,380	633,504
Accumulated Depreciation	<u>(363,759)</u>	<u>(375,864)</u>
Property & Equipment, Net	<u>285,621</u>	<u>257,640</u>
TOTAL ASSETS	\$ <u>522,718</u>	\$ <u>480,506</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	1,147	-
Accrued Payroll Expense	<u>\$ 10,812</u>	<u>\$ 9,077</u>
TOTAL LIABILITIES	11,959	9,077
 NET ASSETS		
Unrestricted	263,512	197,319
Temporarily Restricted	<u>247,247</u>	<u>274,110</u>
TOTAL NET ASSETS	<u>510,759</u>	<u>471,429</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>522,718</u>	\$ <u>480,506</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Fraternity House, Inc.
Statement of Activities
For the Year Ended June 30, 2018
(With Summarized Comparative Totals for June 30, 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Support				
Contributions	\$ 208,560		\$ 208,560	140,970
Government Contracts/Grants	419,860		419,860	383,047
Residential Services	59,678		59,678	58,693
Special Events	24,510		24,510	22,986
Other Income	799		799	3,585
Loss on Disposal of Fixed Assets	(4,452)		(4,452)	
Rent Donation - In-kind	13,469		13,469	
Net Assets Released from Restrictions	26,863	(26,863)	-	-
TOT Total Support	749,287	(26,863)	722,424	609,281
EXPENSES				
Program Services	601,503	-	601,503	524,538
Supporting Activities				
Management and General	53,654	-	53,654	53,654
Fund-raising	27,937	-	27,937	27,937
TOTAL EXPENSES	683,094	-	683,094	606,129
CHANGE IN NET ASSETS	\$ 66,193	\$ (26,863)	\$ 39,330	3,152
Net Assets at Beginning of Year	\$ 197,319	\$ 274,110	\$ 471,429	468,277
Net Assets at End of Year	\$ 263,512	\$ 247,247	\$ 510,759	\$ 471,429

The Accompanying Notes are an Integral Part of the Financial Statements

Fraternity House, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2018
(With Summarized Comparative Totals for June 30, 2017)

	2018				2017
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>	<u>Total</u>
Personnel Expenses					
Salaries and Wages	\$ 345,534	\$ 35,803	\$ 12,901	\$ 394,238	\$ 358,039
Payroll Tax	37,209	3,515	1,757	42,481	35,159
Workers Comp	29,138	2,827	1,413	33,378	28,274
Employee Benefits	1,390	207	103	1,700	2,075
Total Personnel Expenses	<u>413,271</u>	<u>42,352</u>	<u>16,174</u>	<u>471,797</u>	<u>423,547</u>
Non-Personnel Expenses					
Auto Expense and Mileage	6,061	514	207	6,782	5,148
Depreciation Expense	20,083	2,274	1,137	23,494	22,745
Food and Supplies	36,138	-	-	36,138	27,366
In-Kind Rent	36,000	-	-	36,000	36,000
Insurance	18,919	1,899	945	21,763	18,998
Marketing and Ads	5,177			5,177	-
Office Expenses	14,474	1,040	520	16,034	10,403
Professional Services	6,329	807	404	7,540	8,073
Repairs and Maintenance	12,175	1,066	533	13,774	10,661
Special Events	387	-	6,166	6,553	6,166
Utilities	32,489	3,702	1,851	38,042	37,022
Total Non-Personnel Expenses	<u>188,232</u>	<u>11,302</u>	<u>11,763</u>	<u>211,297</u>	<u>182,582</u>
Total Functional Expenses	<u>\$ 601,503</u>	<u>\$ 53,654</u>	<u>\$ 27,937</u>	<u>\$ 683,094</u>	
Total Functional Expenses FY2017	<u>\$ 524,538</u>	<u>\$ 53,654</u>	<u>\$ 27,937</u>		<u>\$ 606,129</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Fraternity House, Inc.
Statements of Cash Flows
For the Year Ended June 30, 2018
(With Summarized Comparative Totals for June 30, 2017)

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 39,330	\$ 3,152
Adjustments to Reconcile Change in Net Assets		
Net Cash Provided (Used) by Operating Activities		
Depreciation	23,494	22,745
(Gain)/Loss on Disposal of Property and Equipment	4,452	-
(Increase) / Decrease in Assets:		
Government Contracts/Grants Receivable	82,410	(61,987)
Rent Receivable - San Diego County	22,531	36,000
Rent Receivable - Residents	(5,795)	46
Prepaid Expenses	(1,918)	2,858
Increase / (Decrease) in Liabilities:		
Accounts Payable	1,147	-
Accrued Payroll Expense	1,735	(882)
Net Cash Provided (Used) by Operating Activities	<u>167,386</u>	<u>1,932</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	<u>(55,927)</u>	<u>(6,305)</u>
Net Cash Provided (Used) by Investing Activities	<u>(55,927)</u>	<u>(6,305)</u>
Net Increase (Decrease) in Cash	111,459	(4,373)
Cash Balance at Beginning of Year	11,961	16,334
Cash Balance at End of Year	\$ <u><u>123,420</u></u>	\$ <u><u>11,961</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

Fraternity House, Inc.
Notes to Financial Statements
Year Ended June 30, 2018

Note 1. Organization and Purpose:

Fraternity House, Inc. (Organization) is a California nonprofit organization that operates two residential care facilities for the chronically ill; Fraternity House in Escondido, California and Michaelle house in Vista, California. Both homes are licensed by the State of California. The Organization provides warm and caring homes where men and women disabled by HIV/AIDS can receive comprehensive care and services in order to rebuild their health and return to independent living, or where they can spend their last days in comfort and dignity.

The Organization generates revenue primarily from contributions, grants, and resident services income.

Note 2. Summary of Significant Accounting Policies:

Basis of Accounting: The accompanying financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Essentially, all revenue is recognized when earned and expenses are recognized when incurred. Pledges for contributions are recorded as received.

Basis of Presentation: The Organization 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 - Net assets not subject to donor-imposed restrictions or stipulations as to purpose of use.

Temporarily Restricted Net Assets - Net assets that are subject to donor-imposed restrictions or stipulations that may or will be met either by actions of the Organization's or the passage of time.

Permanently Restricted Net Assets - Net assets that are subject to donor-imposed restrictions of investing the principal contribution in perpetuity and the investment income be used only for the Organization's operations and programs. There were no permanently restricted net assets during the year ended June 30, 2018.

Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with the initial maturity of three months or less to be cash equivalents.

Grants receivable: Grants receivable arise during the normal course of business. Management considers grants receivable to be fully collectible. Accordingly, no allowance is considered necessary at June 30, 2018.

Property and Equipment: Acquisitions of property and equipment over \$1,000 are capitalized. Property and equipment are stated at cost, or if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. The Organization depreciates its property and equipment on a straight-line basis over the estimated useful lives of the underlying assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or the lives of the respective assets.

Fraternity House, Inc.
Notes to Financial Statements
Year Ended June 30, 2018

Note 2. Summary of Significant Accounting Policies (continued):

Fair Value Measurements: The Organization measures fair value in accordance with ASC Topic 820, Fair Value Measurement. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments, spreads, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

There have been no changes in the methodologies used during the year ended June 30, 2018.

Revenue Recognition: Contributions are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets.

Revenue from grants is recognized to the extent of eligible cost incurred up to an amount not to exceed the total grant authorized. Deferred revenue results from grant awards received that are applicable to the subsequent period.

Revenue from Residential service is reported when received.

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

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include those assumed in computing the estimated future cash flows of pledges receivable and the functional allocation of expenses.

Fraternity House, Inc.
Notes to Financial Statements
Year Ended June 30, 2018

Note 2. Summary of Significant Accounting Policies (continued):

In-kind Contributions: The Organization receives donated use of a facility, which has been recorded at fair value and is calculated as the net present value of the fair rental value of space occupied under similar conditions. The contributed rent is recorded as increase in temporarily restricted net assets and rent receivable. The temporarily restricted net asset is reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions as the lease expires.

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. Contributed services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization receives a substantial amount of services donated by volunteers in carrying out the Organization's program services. No contributed professional services or contributed materials were received for the years ended June 30, 2018.

Comparative Financial Information: The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, it should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017 from which the summarized information was derived.

Date of Management Review: Subsequent events were evaluated through January 11, 2019, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require adjustment to, or disclosures in, these financial statements.

Note 3. Income Tax Status:

The Organization is a not-for-profit corporation under Internal Revenue Code Section 501(c)(3) and California code 23701(d), whereby it is exempt from income taxes. The Organization's management has evaluated its tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. The Organization's income tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed; and the Franchise Tax Board, generally for four years after they are filed.

Note 4. Concentrations:

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. As of June 30, 2018 the outstanding balances were fully insured.

Support and Revenue: The Organization receives a significant portion of its revenues from government grants. Revenues from such sources comprised approximately 59% of total revenue and support during the year ended June 30, 2018.

Fraternity House, Inc.
Notes to Financial Statements
Year Ended June 30, 2018

Note 5. Grant Receivable:

Grant receivable balances from County of San Diego were \$102,549 as of June 30, 2018.

Note 6. Rent receivable:

The Organization has a lease agreement with the County of San Diego for Fraternity House, a residence located in Escondido, California that provides accommodations for program participants. The five-year lease expired in May 2015 and was renewed in June 2015 for ten (10) years. The new lease may be terminated by the County of San Diego at any time after the third lease year of the term by providing ninety (90) days prior written notice. The lease requires payments of \$1 per year. In-kind contribution rent \$98,266 was recognized in the year ended June 30, 2015. The estimated fair value of this lease is \$36,000 per year for the and is recognized as in-kind rent expense in the statements of functional expenses in the years ended June 30, 2015, 2016, and 2017. The total amount \$36,000 (including \$22,531 from the estimated fair value of the lease) was recognized as in-kind rent expense in the statements of functional expenses in the years ended June 30, 2018.

Note 7. Property and Equipment:

Property and equipment for the year ended June 30, 2018 consist of the following:

	Balance June 30, 2017	Additions	Deletion	Balance June 30, 2018
Land - Michaelle House (MH)	\$ 90,000	\$ -	\$ -	\$ 90,000
Building and Bldng Improv (MH)	457,021	-	-	457,021
Furniture and Fixtures	55,348	5,200	(8,916)	51,632
Vehicles	31,135	50,727	(31,135)	50,727
Total Property and Equipment	<u>633,504</u>	<u>55,927</u>	<u>(40,051)</u>	<u>649,380</u>
Less Accumulated Depreciation	<u>(375,864)</u>	<u>(23,494)</u>	<u>35,599</u>	<u>(363,759)</u>
Net Property and Equipment	<u>\$ 257,640</u>	<u>\$ 32,433</u>	<u>\$ (4,452)</u>	<u>\$ 285,621</u>

Note 8. Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of property and donated funds and facilities:

	June 30, 2018
San Diego Housing Commission	\$ 247,247

Fraternity House, Inc.
Notes to Financial Statements
Year Ended June 30, 2018

Note 9. Commitments and Contingencies:

The Organization has received state and federal allowances, funds, and grants for specific purposes that are subject to review and audit by the granting agencies. Although such audits could generate expenditure disallowances under the terms of the grants, management believes that required reimbursements, if any, will not be material.

In 1997, the Organization received a \$325,000 revocable grant from the San Diego Housing Commission, which was used to purchase Michaelle house. The grant is secured by a first trust deed on the property. No interest will be accrued and the \$325,000 principal will be forgiven at the end of the grant term as long as the Organization meets the conditions of the grant over a period of 55 years. If the Organization does not meet the terms of the grant, it will be obligated to repay the principal plus accrued interest at 10%. Management believes the Organization will remain in compliance with the terms of the grant and, accordingly, no liability for the repayment of this grant has been included in the statement of financial position.

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: College Bound FY20 Date Submitted: 10/7/2020	Total # of people served: 900 Total # of San Marcos residents served: 60	Amount Requested: \$5,000
Non-Profit Organization Name and Address, Website Just in Time for Foster Youth PO Box 601627 San Diego, CA 92160 jitfosteryouth.org	Contact Person – Name, Title & Phone, email Jennifer Telitz Investor Relations Manager 619-248-3839 development@jitfosteryouth.org	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Achieving a degree in higher education greatly increases the ability to actualize self-sufficiency and break cycles of poverty. Recognizing this, JIT launched College Bound in 2006, a unique extended family model to meet our participants' need for consistent caring connections while also providing the material resources necessary to steward them to academic success. Over the years, College Bound has assisted over 700 former foster youth with an overall retention/graduation rate of 75% - approximately 70% higher than the national average of 3-6%.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The foster youth in San Marcos exiting the child welfare system are faced with distressing odds. 40-50% of former foster youth become homeless within 18 months of emancipation, 50% experience high rates of unemployment within five years and 25% of former foster youth will spend time in jail within the first two years of emancipation. For the only 10% of former foster youth, that beat these odds, and enter college only 3-6% graduate. Just in Time's College Bound program helps residents of San Marcos, and those who attend Cal State San Marcos, by becoming the family they need to succeed in their educational and life goals so they are able to give back to their community. We provide all the tools and support needed until graduation.</p>		
Please attach the following items. Both Mini-Grant & Regular: <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 5. Regular Grants Only: <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 		Expected date project will begin/end: July 2020-June 2021 Date by which funds will be expended: 6/30/2021 Signature of President or Authorized Officer <div style="display: flex; justify-content: space-between; width: 100%;"> Don Wells, Chief Empowerment Officer 10/4/2020 Date </div>
		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): jcadima@san-marcos.net

Organization's MISSION and VISION Statements

Just in Time for Foster Youth's mission is to engage a caring community to help transition age foster youth achieve self-sufficiency and well-being. Just in Time for Foster Youth (JIT) envisions a future in which every youth leaving the foster care system has access to a community of caring adults after 18. We believe forging consistent, lasting relationships is the foundation for the success of our youth so they can thrive and enjoy productive, satisfying lives.

The NEED and our SOLUTION

As a general rule, our society allows young people ample time to finish school, begin a career and build a support network prior to expecting them to be on their own. Yet, until recently, we expected 18-year old foster youth to fend for themselves with no parental or familial safety net, no post-secondary education, and few financial resources. These unrealistic expectations have resulted in a steady stream of youth emancipating into homelessness, incarceration and destitution. What's more, the National Institute of Health finds that former foster youth are more likely than their peers from healthy families to have their own children enter the foster care system. The fact that black and latinx communities are overrepresented within this system heightens the probability that they will remain trapped in a multi-generational cycle of family separation, trauma and poverty, further fueling the inequities that have so recently captured the public's attention in the Black Lives Matter protests. For Ivan, a former foster youth who had been through multiple placements, run away numerous times and stopped going to school after the 6th grade, the dream of going to college was so distant he likened it to space travel. *"When I went to the welfare office they were like, you should try going to college. I don't know if people understand, but if you've never known anyone who has gone to college, it's like they're telling you, you should go to the moon. Where do I start? Financial aid, what is that?"* Ivan was referred to JIT through the welfare office but it took him several years to visit. Ivan finally did come for Basic Needs services when he was on the verge of being homeless again. Through JIT's College Bound service, Ivan was paired with a volunteer coach from our community who offered the consistent emotional support necessary for him to avoid being discouraged when he was placed into remedial courses. Ivan's coach continued to guide and support him throughout his college journey and was there for Ivan's graduation at San Diego State University when he obtained his bachelor's degree in business administration. Ivan is not the exception to the rule at JIT. Since College Bound was launched in 2006, our college retention and graduation rate among 650 former foster youth participants is 80% - staggeringly higher than the national average of 3-6%. We believe higher education is key to economic mobility and breaking the cycles of poverty, homelessness and incarceration that result from interaction with the foster care system. Our experience tells us that, without the support of a community-based service model to provide meaningful relationships, assist with basic needs and address the lingering emotional trauma of the foster care system, academic success will remain as distant as the moon for young people like Ivan.

GOALS AND OBJECTIVES

In FY21, the JIT's goals and objectives are to support 100 transition age foster youth by providing the resources and encouragement needed to empower them as college students, setting them up for long-term success. The lasting impact goals of our College Bound Program are as follows:

1. Participants are confident in navigating higher education opportunities.
2. Participants define themselves, their power, and their future
3. Participants cultivate and leverage supportive relationships and networks.

The intended outcomes of College Bound include:

- 75% of participants will report increased confidence in their ability to compete in a higher education institution after participating in College Bound
- 50% or more of participants will graduate or receive certifications (our current average is 90%!)
- 60% of College Bound participants will report having one or more caring adults in their lives and participate in at least one other JIT service.

IMPLEMENTATION AND WORK PLAN

With the uncertainty of COVID-19, JIT remains ready to find creative solutions and adjust as necessary to deliver critical services to our participants. In July, JIT adopted a hybrid in-person/digital College Bound event for our FY20

cohort, utilizing digital appointments and a drive-through distribution center for participants to receive laptops, printers, school supplies and moral support from staff, coaches, board members and peers. While COVID-19 makes it difficult to predict what the next College Bound schedule will look like, traditionally it has been as follows:

- February-April: Youth Services staff conducts outreach to eligible youth and organizations, schools, and partnering agencies in San Diego County working with current and former foster youth. Outreach strategies include direct presentations, phone and email contact, social media, and word of mouth from past College Bound participants. Youth apply online and must be enrolled in at least six units to qualify. Applications are reviewed by staff to make sure they are complete and competitive. May 1 is the application deadline.
- May 1-20: Completed applications with essays are sent to a review committee of volunteers with strong backgrounds and experience in education. 80-100 students will be selected to participate. From a pool of roughly 650 volunteers, each participant is paired with a College Bound coach who will serve as a mentor and guide throughout the course of their participation, for as long as they are enrolled. To maximize impact, we aim to select volunteer coaches who align with each participant's major and career interests.
- June: The College Bound connection luncheon is the first of two events held in June. Youth are connected to potential volunteer relationships, attend informational workshops, and have access to important college resources at our resource fair. The College Bound Awards event is held two weeks later when laptops and printers are distributed, additional critical information is imparted, and all the participants and volunteers go together to shop for school/dorm supplies at Walmart. This is also a day of celebration for College Bound participants who are graduating. Over the course of both days, participants receive presentations on: finances (budgeting, saving, investing, credit cards); legal issues for anyone 18 and over; past participants' advice about the challenges of college life and how to overcome them; and ways that JIT can be their support system.
- July and Beyond: College Bound participants and their volunteer coaches attend a "reunion event" in early August to receive encouragement and inspiration prior to starting the school year. Youth are encouraged to join other JIT services and are contacted periodically by staff and volunteers to track progress and offer further encouragement and assistance. Resources are available to our students throughout their education and are used to support those who need help overcoming specific obstacles on their academic paths. Status reports and surveys are conducted and entered into our Salesforce database before, during, and after College Bound.

MONITORING/EVALUATION

The effectiveness of JIT services is measured with quantitative and qualitative data and evaluated for both short-term outcomes and lasting impact toward our long-term goals listed above. JIT conducts annual research and measures outcomes based on enrollment rates, college completion of two or more years, graduation achievement and graduate enrollment. Through other services, we track employment to gauge financial security, connections to caring adults and participation in other JIT services to ensure adequate support and confidence levels to measure resiliency. Our most recent and powerful measurement tool is our LIFT (Lasting Impact Fulfillment Tracking) survey, designed to explore measures of self-sufficiency, stability, well-being, satisfaction and resilience among JIT alumni ages 27-35. A Chi-Square Analysis of the collected data was used to test for strength of relationship between each question on the survey and the construct of Breaking the Cycle of Foster Care. Cluster Analysis was also used to group each respondent in survey with others that answered questions in similar ways to identify correlations in this data. LIFT surveys are conducted and analyzed in collaboration with Andrea YoderClark (PhD, MS Business Analytics, Adjunct Professor Master of Science in Business Analytics Program with University of San Diego Business. Mandatory participant surveys conducted at the end of each cohort are coordinated by our Associate Director of Youth Services and overseen by our CEO. Our College Bound Coordinator and Youth Services team (all former foster youth) recruit, track, and provide support to College Bound youth with additional input garnered from volunteers by the JIT Volunteer Services team. Our Impact Research team is responsible for all reports.

SAN MARCOS COMMUNITY FOUNDATION

Budget Worksheet Just in Time for Foster Youth

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

Education tools (laptops, printers, dorm/school supplies)	\$145,300
Employment/Income Supplements	\$57,000
Health & Well-being	\$1,700
Rent Assistance/ Transportation Stipends	\$61,500
Youth Services Salary Expense	\$68,172
Community/College Bound Event	\$45,120
Indirect expenses (Staff, volunteer training, surveys, tracking, administration, supplies, facilities, and outreach)	\$11,842

Total budget for this PROJECT: **\$390,634**

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? Possibly

Please list any other funding sources for this project.

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

- Scott A. and Elizabeth V. Christenson Charitable Foundation: \$45,000 *P
- Thomas C. Ackerman Foundation: \$12,500 *C
- Livingston Family Foundation: \$100,000 *C
- Hewlett Packard: \$7,000 *C
- Farrell Family Foundation: \$30,000 *C

Consolidated Budget & Comparatives

FY21 Budget

REVENUE

41100 Corporations	212,500
41200 Foundations	1,600,000
41300 Individuals	1,210,000
41400 Civic and Faith Organizations	110,000
41500 Government Agencies	105,000
41600 Special Events Income-Net	730,000
Other-Horizons House rental income/interest	34,000
Total FY21 Budgeted Revenue	\$ 4,001,500

Revenue IN-KIND AWARDS

Youth Awards - In-kind	90,000
In-kind Rent (North County)	16,020
Total Revenue IN-KIND AWARDS	106,020
Total Revenue	4,107,520

EXPENSES

50000 PROGRAM AWARD EXPENSES

50100 Health & Well-Being	55,220
50200 Lodging	157,424
50300 Financial	178,520
50400 Transportation	246,875
50500 Employment	29,550
50600 Education	181,700
50700 Community	271,702
Outside Contract Services	32,200
Printing and Copying	3,500
50835 Program Salary Expense	1,236,468

Total 50000 PROGRAM AWARD EXPENSES

2,393,159

53000 IN-KIND AWARDS

90,000

TOTAL PROGRAM AWARD EXPENSES

2,483,159

70000 ADM/DEV/SalesForce & Statistics EXPENSES

72100 Accounting Contract Services	168,500
72001 Outside Contract Services	138,500
73300 Legal Services	800
73300 Insurance - Liability, D and O	17,400
74000 Office Expenses	237,100
74200 Postage, Mailing Service	1,600
74400 Printing and Copying	16,300
74500 Advertising/Promotional	8,875

78200 Conferences, Meetings and Training	24,500
78400 Travel	4,600
79000 Depreciation Expense	42,060
Administrative Salary Expense	154,527
Development Salary Expense	590,538
SalesForce/Statistics Salary Expense	191,978
Total 70000 ADM/DEV/SalesForce & Statistics Expenses	<u>1,597,277</u>
Total Expenses	<u>\$ 4,080,436</u>
Net Fund Balance INCREASE (DECREASE)	<u><u>\$ 27,084</u></u>

Total Personnel Costs included above	2,173,510
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Board of Directors Roster, Affiliations & Tenure FY21 (2020-2021)

Board membership has a minimum two-year term with a three-term limit. 100% of board members contribute financially to the JIT organization. Includes # of years on JIT Board.

Brad Livingston, Board Chair, Executive Committee Member

President, RWM Home Loans

5 years

Ted DeFrank, Board Vice-Chair, Executive Committee Member

President & CFO, Active Motif

7 years

Grace Chui-Miller, Board Treasurer, Executive Committee Member

CFO, Correlation Ventures

4 years

Lauri Buehler, Board Secretary, Executive Committee Member

Mortgage/Real Estate Professional (Retired)

3 years

Steve Buehler, Executive Committee Member

President, Pacific Southwest Partners, LLC

3 years

Bob Freund, Executive Committee Member

Principal, Synergration Solutions (Retired)

2 years

Pierre Towns, Executive Committee Member

Co-Founder & Managing Partner, Human Resource Capital Consultants, Inc.

1 year

Scott Arnold

Chief Financial Officer, Certis Oncology

1 year

Gordon Boerner

Senior Vice President, Western US Regional Banking Manager, US Bank
< 1 year

Tracy Burgett

Founder/Financial Planner, Burgett Financial Planning, LLC
2 years

Evangeline Dech

Term Law Clerk, Hon. Daniel E. Butcher
< 1 year

Dan Fulkerson

Managing Attorney, Batta Fulkerson Law Group
2 years

Brad Lupien

CEO, arc
< 1 year

Pilar Meza

Realtor, Pacific Sotheby's International Realty
< 1 year

Bill Morgan

Owner, Morgan Real Estate
2 years

Jessica Pressman, Ph.D.

Associate Professor of English and Comparative Literature, San Diego State University
< 1 year

Keisha D. Robinson, MBA, MPM

Principal and Chief Executive Officer, Imperative Solutions, LLC
Senior Manager, Clinical Research, Illumina
< 1 year

David Schulman

Founding Partner, Moore, Schulman & Moore, APC
3 years

Nancy Spector

Certified Specialist, Estate Planning, Law Firm of Nancy A. Spector
3 years

Luis Valencia-Moreno

Attorney, SoCal Realty Law, APC

< 1 year

Samuel Webster

Managing Director, Community First Strategies, LLC

< 1 year

ADVISORY COUNCIL

Jorge Cabrera

Senior Director, Casey Family Programs

Harriet Carter, Esq.

Owner, Harriet H. Carter, Esq., A Professional Law Corporation

Lynne Doyle

Vice President, Sandy Point Properties, LLC

Sean Ferrel

CEO/President, Managed Solution

Brad Norris

Philanthropist & Community Volunteer

Alan Sorkin

Chair, Chief Executive Mentor & Coach, Vistage Worldwide, Inc.

HONORARY BOARD/CO-FOUNDERS

Diane Cox

JIT Co-Founder/Past Board Chair, Professional Coach

Development Director, Just in Time for Foster Youth

Jeanette Day, Esq.

JIT Co-Founder

Attorney, County of San Diego

Tony Hsu

JIT Co-Founder/Past Treasurer

Founder/Chief Investment Officer, Alethea Capital Management, LLC

Louarn Sorkin

JIT Co-Founder

Founding Partner, San Diego Social Venture Partners

Kathryn Vaughn, Esq.

JIT Co-Founder/Past President

Managing Partner, Law Offices of Vaughn and Vaughn



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

In reply refer to
755:G :EU

April 18, 2007

JUST IN TIME FOR FOSTER YOUTH
KATHY VAUGHN
3363 HARBOR VIEW DR
SAN DIEGO CA 92106-2919

Purpose : CHARITABLE
Code Section : 2370ld
Form of Organization : Corporation
Accounting Period Ending: June 30
Organization Number : 2596165

You are exempt from state franchise or income tax under the section of the Revenue and Taxation Code indicated above.

This decision is based on information you submitted and assumes that your present operations continue unchanged or conform to those proposed in your application. 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 must also be reported.

In the event of a change in relevant statutory, administrative, judicial case law, a change in federal interpretation of federal law in cases where our opinion is based upon such an interpretation, or a change in the material facts or circumstances relating to your application upon which this opinion is based, this opinion may no longer be applicable. It is your responsibility to be aware of these changes should they occur. This paragraph constitutes written advice, other than a chief counsel ruling, within the meaning of Revenue and Taxation Code Section 21012(a)(2).

You may be required to file Form 199 (Exempt Organization Annual Information Return) on or before the 15th day of the 5th month (4 1/2 months) after the close of your accounting period. Please 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

April 18, 2007
JUST IN TIME FOR FOSTER YOUTH
ENTITY ID : 2596165
Page 2

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 5th month (4 1/2 months) after the close of your annual accounting period.

Please note that an exemption from federal income or other taxes and other state taxes requires separate applications.

A copy of this letter has been sent to the Registry of Charitable Trusts.

E ULCH
EXEMPT ORGANIZATIONS
BUSINESS ENTITIES SECTION
TELEPHONE (916) 845-4173
FAX NUMBER (916) 843-0188

EO :

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

DEPARTMENT OF THE TREASURY

Date: JUN 14 2007

JUST IN TIME FOR FOSTER YOUTH
C/O KATHRYN VAUGHN
3363 HARBOR VIEW DR
SAN DIEGO, CA 92106

Employer Identification Number:
20-5448416
DLN:
17053089008007
Contact Person:
RENEE RAILEY NORTON ID# 31172
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
July 16, 2006
Contribution Deductibility:
Yes
Advance Ruling Ending Date:
June 30, 2011

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

JUST IN TIME FOR FOSTER YOUTH

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Choi". The signature is stylized with a large, looped "R" and a cursive "Choi".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)
Statute Extension

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.

2018**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

A For the 2018 calendar year, or tax year beginning 7/01, 2018, and ending 6/30, 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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%; vertical-align: top;"> C JUST IN TIME FOR FOSTER YOUTH 4560 ALVARADO CANYON RD, SUITE 2G SAN DIEGO, CA 92120 </td> <td style="width:30%; vertical-align: top;"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>D Employer identification number</td> <td>20-5448416</td> </tr> <tr> <td>E Telephone number</td> <td>858.663.2081</td> </tr> <tr> <td>G Gross receipts \$</td> <td>3,501,961.</td> </tr> </table> </td> </tr> <tr> <td colspan="2"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;"> F Name and address of principal officer: DONALD WELLS SAME AS C ABOVE </td> <td style="width:40%;"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>H(a) Is this a group return for subordinates?</td> <td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td>H(b) Are all subordinates included? If "No," attach a list. (see instructions)</td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> </table> </td> </tr> </table> </td> </tr> <tr> <td colspan="2"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"> 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 </td> <td style="width:50%;"> J Website: ▶ WWW.JITFOSTERYOUTH.ORG </td> </tr> <tr> <td> K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ </td> <td> L Year of formation: 2006 M State of legal domicile: CA </td> </tr> </table> </td> </tr> </table>	C JUST IN TIME FOR FOSTER YOUTH 4560 ALVARADO CANYON RD, SUITE 2G SAN DIEGO, CA 92120	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>D Employer identification number</td> <td>20-5448416</td> </tr> <tr> <td>E Telephone number</td> <td>858.663.2081</td> </tr> <tr> <td>G Gross receipts \$</td> <td>3,501,961.</td> </tr> </table>	D Employer identification number	20-5448416	E Telephone number	858.663.2081	G Gross receipts \$	3,501,961.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;"> F Name and address of principal officer: DONALD WELLS SAME AS C ABOVE </td> <td style="width:40%;"> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>H(a) Is this a group return for subordinates?</td> <td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td>H(b) Are all subordinates included? If "No," attach a list. (see instructions)</td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> </table> </td> </tr> </table>		F Name and address of principal officer: DONALD WELLS SAME AS C ABOVE	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>H(a) Is this a group return for subordinates?</td> <td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td>H(b) Are all subordinates included? If "No," attach a list. (see instructions)</td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> </table>	H(a) Is this a group return for subordinates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H(b) Are all subordinates included? If "No," attach a list. (see instructions)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"> 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 </td> <td style="width:50%;"> J Website: ▶ WWW.JITFOSTERYOUTH.ORG </td> </tr> <tr> <td> K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ </td> <td> L Year of formation: 2006 M State of legal domicile: CA </td> </tr> </table>		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.JITFOSTERYOUTH.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: 2006 M State of legal domicile: CA
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<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"> 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 </td> <td style="width:50%;"> J Website: ▶ WWW.JITFOSTERYOUTH.ORG </td> </tr> <tr> <td> K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ </td> <td> L Year of formation: 2006 M State of legal domicile: CA </td> </tr> </table>		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.JITFOSTERYOUTH.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: 2006 M State of legal domicile: CA																		
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.JITFOSTERYOUTH.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: 2006 M State of legal domicile: CA																						

Part I Summary				
Activities & Governance	1	Briefly describe the organization's mission or most significant activities: JUST IN TIME FOR FOSTER YOUTH MOBILIZES A CARING COMMUNITY FOR TRANSITION AGE FOSTER YOUTH, AGES 18-26, TO ACHIEVE SELF-SUFFICIENCY AND WELL BEING THROUGH A COMBINATION OF RESOURCES AND RELATIONSHIPS.		
	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	27
	4	Number of independent voting members of the governing body (Part VI, line 1b).....	4	23
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a).....	5	28
	6	Total number of volunteers (estimate if necessary).....	6	640
	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).....	4,022,052.	3,009,338.
	9	Program service revenue (Part VIII, line 2g).....		
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d).....	-2,766.	1,097.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e).....	86,374.	336,877.
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12).....	4,105,660.	3,347,312.
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3).....	901,462.
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).....	1,129,230.	1,605,015.
16a		Professional fundraising fees (Part IX, column (A), line 11e).....		
b		Total fundraising expenses (Part IX, column (D), line 25) ▶ 706,918.		
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e).....	531,099.	783,493.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25).....	2,561,791.	3,442,304.
19		Revenue less expenses. Subtract line 18 from line 12.....	1,543,869.	-94,992.
Net Assets or Fund Balances	20	Total assets (Part X, line 16).....	2,293,674.	2,162,483.
	21	Total liabilities (Part X, line 26).....	149,084.	112,847.
	22	Net assets or fund balances. Subtract line 21 from line 20.....	2,144,590.	2,049,636.

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		
	DON WELLS		EXECUTIVE DIRECTOR		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	LATONYA M. KNOX	LATONYA M. KNOX	2/19/20		P00513874
	Firm's name ▶ LEAF & COLE, LLP				
	Firm's address ▶ 2810 CAMINO DEL RIO SOUTH, SUITE 200 SAN DIEGO, CA 92108-3820	Firm's EIN ▶ 95-2076568			
				Phone no. 619.294.7200	

May the IRS discuss this return with the preparer shown above? (see instructions).....		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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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:

SEE SCHEDULE O

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 \$ 794,277. including grants of \$ 455,792.) (Revenue \$)

KNOWLEDGE: COLLEGE BOUND, FINANCIAL FITNESS, PATHWAYS TO FINANCIAL POWER AND NEXTJOBS, WORKING TOGETHER TO TEACH PARTICIPANTS EFFECTIVE WAYS TO ACHIEVE FINANCIAL STABILITY AND SECURITY THROUGH INDIVIDUALIZED COACHING, FINANCIAL LITERACY WORKSHOPS, ESSENTIAL RESOURCES, AND THE ENCOURAGEMENT EVERY YOUNG PERSON NEEDS TO SUCCEED IN EDUCATION AND EMPLOYMENT.

4b (Code:) (Expenses \$ 783,936. including grants of \$ 419,489.) (Revenue \$)

BASIC NEEDS: EMERGENCY ASSISTANCE INCLUDING ACCESS TO MEDICAL CARE AND FAMILY PLANNING; A SAFE, STABLE, SUPPORTIVE PLACE TO LIVE THROUGH MY FIRST HOME; AND TRANSPORTATION EQUITY THROUGH CHANGING LANES, WHICH OFFERS DRIVER TRAINING AND THE PURCHASE OF RELIABLE VEHICLES AT AFFORDABLE INTEREST RATES, OFTEN CRITICAL FOR ACCESS TO EDUCATION AND JOB OPPORTUNITIES.

4c (Code:) (Expenses \$ 471,763. including grants of \$ 128,554.) (Revenue \$)

EMPOWERMENT: CAREER HORIZONS FOR YOUNG WOMEN, BRIDGES TO SUCCESS FOR YOUNG MEN, AND RISE TO RESILIENCE, WHERE THE FOCUS IS ON STRENGTHENING YOUTH MENTALLY, PHYSICALLY, AND EMOTIONALLY TO OVERCOME ADVERSE CHILDHOOD EXPERIENCES (ACES) AND MOVE TOWARD SMART CHOICES AND HEALTHY RELATIONSHIPS. ALL WORK TOWARD EMPOWERING OUR PARTICIPANTS TO BECOME CONFIDENT, CAPABLE, AND CONNECTED YOUNG MEN AND WOMEN FOR THE LONG TERM.

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

(Expenses \$ 298,702. including grants of \$ 49,961.) (Revenue \$)

4e Total program service expenses 2,348,678.

Part IV Checklist of Required Schedules

	Yes	No	
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	1	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I	3		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II	4		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III	5		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I	6		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If 'Yes,' complete Schedule D, Part II	7		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III	8		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV	9		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V	10		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	11 a	X	
b Did the organization report an amount for investments — other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII	11 b		X
c Did the organization report an amount for investments — program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII	11 c		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX	11 d		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	11 e	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X	11 f	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI and XII	12a	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional	12b		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E	13		X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV	14b		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If 'Yes,' complete Schedule F, Parts II and IV	15		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If 'Yes,' complete Schedule F, Parts III and IV	16		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)	17		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II	18	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III	19		X
20a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H	20a		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II	21		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>	22	X	
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i>	23	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a.</i>	24a		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?	24d		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>	25a		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i>	25b		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If 'Yes,' complete Schedule L, Part II.</i>	26		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III.</i>	27		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>	28a	X	
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>	28b		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>	28c		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>	29	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>	30		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>	31		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>	32		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>	33		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	34		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>	35b		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>	36		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>	37		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	38	X	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1 a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1 a 24		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1 b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1 c	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

	Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2a 28		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? 2b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year? 3a		X
b If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation in Schedule O. 3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4a		X
b If 'Yes,' enter the name of the foreign country: ▶ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? 5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5b		X
c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T? 5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? 6a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 6b		
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? 7a	X	
b If 'Yes,' did the organization notify the donor of the value of the goods or services provided? 7b	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? 7c		X
d If 'Yes,' indicate the number of Forms 8282 filed during the year. 7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? 7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? 7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? 7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? 8		
9 Sponsoring organizations maintaining donor advised funds.		
a Did the sponsoring organization make any taxable distributions under section 4966? 9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? 9b		
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12. 10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10b		
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders. 11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 12a		
b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. 12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state? 13a		
Note. See the instructions for additional information the organization must report on Schedule O.		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. 13b		
c Enter the amount of reserves on hand 13c		
14a Did the organization receive any payments for indoor tanning services during the tax year? 14a		X
b If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O. 14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? 15		X
If 'Yes,' see instructions and file Form 4720, Schedule N.		
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? 16		X
If 'Yes,' complete Form 4720, Schedule O.		

Part VI Governance, Management, and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response or note to any line in this Part VI. ☒ **X****Section A. Governing Body and Management**

	Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year. 1 a 27 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b Enter the number of voting members included in line 1a, above, who are independent 1 b 23		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? SEE SCHEDULE O	2 X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Did the organization have members or stockholders?	6	X
7 a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7 a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7 b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8 a X	
b Each committee with authority to act on behalf of the governing body?	8 b X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10 a Did the organization have local chapters, branches, or affiliates?	10 a	X
b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10 b	
11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11 a X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O		
12 a Did the organization have a written conflict of interest policy? If 'No,' go to line 13.	12 a X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12 b X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done. SEE SCHEDULE O	12 c X	
13 Did the organization have a written whistleblower policy?	13 X	
14 Did the organization have a written document retention and destruction policy?	14 X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official. SEE SCHEDULE O	15 a X	
b Other officers or key employees of the organization.	15 b X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions).		
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16 a	X
b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16 b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ CA

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. **SEE SCHEDULE O**

20 State the name, address, and telephone number of the person who possesses the organization's books and records ▶

GAYLE GREENLEE 4560 ALVARADO CANYON RD, SUITE 2G SAN DIEGO CA 92120 (619) 206-7424

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII. ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1 a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DAVID ARCHAMBAULT CHAIR	1 0	X		X				0.	0.	0.
(2) CHRIS BURR DIRECTOR	1 0	X						0.	0.	0.
(3) TRACY BURGETT DIRECTOR	1 0	X						0.	0.	0.
(4) LAURI BUEHLER SECRETARY	1 0	X		X				0.	0.	0.
(5) DONALD CANTEEN DIRECTOR	1 0	X						0.	0.	0.
(6) STEVEN BUEHLER DIRECTOR	1 0	X						0.	0.	0.
(7) DONNA DESROSIERS DIRECTOR	1 0	X						0.	0.	0.
(8) ROBERT FREUND DIRECTOR	1 0	X						0.	0.	0.
(9) GRACE CHUI-MILLER DIRECTOR	1 0	X						0.	0.	0.
(10) MIKE HALPERN DIRECTOR	1 0	X						0.	0.	0.
(11) DAN FULKERSON DIRECTOR	1 0	X						0.	0.	0.
(12) BILL MORGAN DIRECTOR	1 0	X						0.	0.	0.
(13) THEODORE DEFRANK DIRECTOR	1 0	X						0.	0.	0.
(14) GRETCHEN MORGAN DIRECTOR	1 0	X						0.	0.	0.

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TEEA0107L 08/03/18

Form 990 (2018)

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(15) DAVID SCHULMAN DIRECTOR	1 0	X					0.	0.	0.
(16) LAUREN SILVERMAN, PHD VICE CHAIR	1 0	X		X			0.	0.	0.
(17) BRAD LIVINGSTON DIRECTOR	1 0	X					0.	0.	0.
(18) DIANE ARCHAMBAULT DIRECTOR	1 0	X					0.	0.	0.
(19) JOAN COPPENRATH TREASURER	1 0	X		X			0.	0.	0.
(20) NANCY SPECTOR DIRECTOR	1 0	X					0.	0.	0.
(21) MATTHEW MEDEIROS DIRECTOR	1 0	X					0.	0.	0.
(22) RUTH SCHMID DIRECTOR	1 0	X					0.	0.	0.
(23) JON PAK DIRECTOR	1 0	X					0.	0.	0.
(24) SHANDY PINKOWSKI DIRECTOR	1 0	X					0.	0.	0.
(25) Nanci PORTER DIRECTOR	1 0	X					0.	0.	0.
1 b Sub-total							0.	0.	0.
c Total from continuation sheets to Part VII, Section A							255,000.	0.	28,415.
d Total (add lines 1b and 1c)							255,000.	0.	28,415.
2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 2									

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual.</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes,' complete Schedule J for such individual.</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i>		X

Section B. Independent Contractors

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 0		

2018

Name of the Organization

Employer Identification number

JUST IN TIME FOR FOSTER YOUTH

20-5448416

Part VII Continuation: Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

[illegible]

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c 503,808.				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e 138,142.				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 2,367,388.				
	g Noncash contributions included in lines 1a-1f: \$	144,321.				
	h Total. Add lines 1a-1f		3,009,338.			
Program Service Revenue	Business Code					
	2 a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f					
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)		1,097.			1,097.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real (ii) Personal 29,707.				
	b Less: rental expenses					
	c Rental income or (loss)	29,707.				
	d Net rental income or (loss)		29,707.	29,707.		
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ 503,808. of contributions reported on line 1c). See Part IV, line 18	a 461,819.				
	b Less: direct expenses	b 154,649.				
	c Net income or (loss) from fundraising events		307,170.			307,170.
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
	10 a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11 a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total revenue. See instructions		3,347,312.	29,707.	0.	308,267.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX. ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.				
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	1,053,796.	1,053,796.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	163,149.	97,890.	24,472.	40,787.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.	1,441,866.	933,445.	143,233.	365,188.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).				
9 Other employee benefits.				
10 Payroll taxes.				
11 Fees for services (non-employees):				
a Management.				
b Legal.				
c Accounting.				
d Lobbying.				
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion.	71,323.			71,323.
13 Office expenses.	170,459.	115,682.	22,973.	31,804.
14 Information technology.				
15 Royalties.				
16 Occupancy.				
17 Travel.	4,245.	2,578.	678.	989.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	50,559.	14,373.	17,902.	18,284.
20 Interest.				
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	10,174.	6,938.	852.	2,384.
23 Insurance.	13,400.	9,085.	1,193.	3,122.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>CONTRACT LABOR</u>	438,521.	105,876.	174,221.	158,424.
b <u>PRINTING AND PUBLICATIONS</u>	21,556.	6,942.	912.	13,702.
c <u>POSTAGE AND SHIPPING</u>	3,256.	2,073.	272.	911.
d				
e All other expenses.				
25 Total functional expenses. Add lines 1 through 24e.	3,442,304.	2,348,678.	386,708.	706,918.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X. ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash — non-interest-bearing	410,175.	1	493,449.
	2 Savings and temporary cash investments	994,343.	2	635,973.
	3 Pledges and grants receivable, net	743,775.	3	794,434.
	4 Accounts receivable, net		4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	41,949.	9	41,453.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 209,099.		
	b Less: accumulated depreciation	10b 11,925.	10c	197,174.
	11 Investments — publicly traded securities	96,445.	11	
	12 Investments — other securities. See Part IV, line 11		12	
	13 Investments — program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	2,293,674.	16	2,162,483.	
Liabilities	17 Accounts payable and accrued expenses	56,009.	17	35,298.
	18 Grants payable		18	
	19 Deferred revenue		19	3,700.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	93,075.	25	73,849.
	26 Total liabilities. Add lines 17 through 25	149,084.	26	112,847.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,613,520.	27	1,646,903.
	28 Temporarily restricted net assets	531,070.	28	402,733.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	2,144,590.	33	2,049,636.
	34 Total liabilities and net assets/fund balances	2,293,674.	34	2,162,483.

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI. ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,347,312.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,442,304.
3	Revenue less expenses. Subtract line 2 from line 1	3	-94,992.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,144,590.
5	Net unrealized gains (losses) on investments	5	138.
6	Donated services and use of facilities	6	
7	Investment expenses	7	-100.
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,049,636.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII. ☐

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____		
If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	X	
If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

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TEEA0112L 08/03/18

Form 990 (2018)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization

JUST IN TIME FOR FOSTER YOUTH

Employer identification number

20-5448416

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations: _____
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)	1,168,143.	1,556,930.	2,066,535.	4,022,052.	3,009,338.	11,822,998.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
4 Total. Add lines 1 through 3.	1,168,143.	1,556,930.	2,066,535.	4,022,052.	3,009,338.	11,822,998.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						502,152.
6 Public support. Subtract line 5 from line 4.						11,320,846.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
7 Amounts from line 4.	1,168,143.	1,556,930.	2,066,535.	4,022,052.	3,009,338.	11,822,998.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources.	446.	159.	703.	29,779.	30,804.	61,891.
9 Net income from unrelated business activities, whether or not the business is regularly carried on.			80,789.	57,503.	307,170.	445,462.
10 Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part VI.) SEE PART VI			1,200.			1,200.
11 Total support. Add lines 7 through 10.						12,331,551.
12 Gross receipts from related activities, etc. (see instructions).					12	0.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f)).	14	91.80 %
15 Public support percentage from 2017 Schedule A, Part II, line 14.	15	82.12 %
16a 33-1/3% support test—2018. If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization. ▶ <input checked="" type="checkbox"/>		
b 33-1/3% support test—2017. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2018. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here . Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2017. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here . Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose.						
3 Gross receipts from activities that are not an unrelated trade or business under section 513.						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						
5 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
6 Total. Add lines 1 through 5.						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons.						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year.						
c Add lines 7a and 7b.						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources.						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975.						
c Add lines 10a and 10b.						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**☐**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f)).	15	%
16 Public support percentage from 2017 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f)).	17	%
18 Investment income percentage from 2017 Schedule A, Part III, line 17.	18	%

19a 33-1/3% support tests—2018. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ☐**b 33-1/3% support tests—2017.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ☐**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If 'No,' describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If 'Yes,' explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If 'Yes,' answer (b) and (c) below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If 'Yes,' describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If 'Yes,' explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ('foreign supported organization')? If 'Yes' and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If 'Yes,' describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If 'Yes,' explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If 'Yes,' answer (b) and (c) below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If 'Yes,' provide detail in Part VI .		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If 'Yes,' provide detail in Part VI .		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If 'Yes,' provide detail in Part VI .		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If 'Yes,' provide detail in Part VI .		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If 'Yes,' answer 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If 'Yes' to a, b, or c, provide detail in Part VI .		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If 'No,' describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If 'Yes,' explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If 'No,' describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If 'No,' explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If 'Yes,' describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If 'Yes,' then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If 'Yes,' explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI .			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If 'Yes,' describe in Part VI the role played by the organization in this regard.			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A – Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C – Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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Schedule A (Form 990 or 990-EZ) 2018

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**Section D – Distributions**

	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E – Distribution Allocations (see instructions)

	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required – explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

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Schedule A (Form 990 or 990-EZ) 2018

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

PART II, LINE 10 - OTHER INCOME

NATURE AND SOURCE	2018	2017	2016	2015	2014
OTHER INCOME			\$ 1,200.		
TOTAL	\$ 0.	\$ 0.	\$ 1,200.	\$ 0.	\$ 0.

**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Financial Statements

► Complete if the organization answered 'Yes' on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.

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

OMB No. 1545-0047

2018**Open to Public
Inspection**

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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2 a
b Total acreage restricted by conservation easements	2 b
c Number of conservation easements on a certified historic structure included in (a)	2 c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2 d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1. ► \$

(ii) Assets included in Form 990, Part X. ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1. ► \$

b Assets included in Form 990, Part X. ► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance.....	1 c
d Additions during the year.....	1 d
e Distributions during the year.....	1 e
f Ending balance.....	1 f

2 a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII. ☐

Part V Endowment Funds. Complete if the organization answered 'Yes' on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance.....					
b Contributions.....					
c Net investment earnings, gains, and losses.....					
d Grants or scholarships.....					
e Other expenditures for facilities and programs.....					
f Administrative expenses.....					
g End of year balance.....					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %

b Permanent endowment ▶ _____ %

c Temporarily restricted endowment ▶ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations..... **3a(i)**

Yes	No
-----	----

(ii) related organizations..... **3a(ii)**

Yes	No
-----	----

b If 'Yes' on line 3a(ii), are the related organizations listed as required on Schedule R? **3b**

Yes	No
-----	----

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land.....				
b Buildings.....				
c Leasehold improvements.....		146,193.	8,162.	138,031.
d Equipment.....		62,906.	3,763.	59,143.
e Other.....				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.).....				197,174.

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Schedule D (Form 990) 2018

Part VII Investments – Other Securities.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives.....		
(2) Closely-held equity interests.....		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, column (B) line 12.) .. ▶		

Part VIII Investments – Program Related.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.) .. ▶		

Part IX Other Assets.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 15.) .. ▶	

Part X Other Liabilities.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) PAYROLL LIABILITIES	73,849.	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.) .. ▶	73,849.	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. **SEE PART XIII.** ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	3,347,350.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	138.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	138.
3	Subtract line 2e from line 1	3	3,347,212.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b.	4a	100.
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	100.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	3,347,312.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	3,442,304.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	3,442,304.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b.	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	3,442,304.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X - FIN 48 FOOTNOTE

JIT IS A PUBLIC CHARITY AND 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. JIT BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENT. JIT IS NOT A PRIVATE FOUNDATION.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered 'Yes' on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

JUST IN TIME FOR FOSTER YOUTH

Employer identification number

20-5448416

Part I

Fundraising Activities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations

e ☐ Solicitation of non-government grants

b ☐ Internet and email solicitations

f ☐ Solicitation of government grants

c ☐ Phone solicitations

g ☐ Special fundraising events

d ☐ In-person solicitations

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☒ No

b If 'Yes,' list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in column (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total.....▶						0.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered 'Yes' on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

REVENUE		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		WALK THE TALK (event type)	(event type)	NONE (total number)	(add column (a) through column (c))
REVENUE	1 Gross receipts	965,627.			965,627.
	2 Less: Contributions	503,808.			503,808.
	3 Gross income (line 1 minus line 2)	461,819.			461,819.
DIRECT EXPENSES	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	5,086.			5,086.
	7 Food and beverages	67,343.			67,343.
	8 Entertainment	2,500.			2,500.
	9 Other direct expenses	79,720.			79,720.
	10 Direct expense summary. Add lines 4 through 9 in column (d)	154,649.			
	11 Net income summary. Subtract line 10 from line 3, column (d)	307,170.			

Part III Gaming. Complete if the organization answered 'Yes' on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

REVENUE		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(add column (a) through column (c))
REVENUE	1 Gross revenue				
	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
DIRECT EXPENSES	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If 'No,' explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If 'Yes,' explain: _____

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity conducted in:

a The organization's facility	13 a	%
b An outside facility	13 b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If 'Yes,' enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If 'Yes,' enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer

☐ Employee

☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered 'Yes' on Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for the latest information

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization

JUST IN TIME FOR FOSTER YOUTH

Employer identification number

20-5448416

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States. SEE PART IV

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered 'Yes' on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
(1) -----							
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							
(8) -----							

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 0
- 3 Enter total number of other organizations listed in the line 1 table ▶ 0

Part III **Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
1 CASH, GIFT CARDS, HOUSEHOLD ITEMS	698	909,475.	144,321.	FMV USING COST COMPARISON	FURNITURE, HOUSEHOLD ITEMS, LAPTOPS
2					
3					
4					
5					
6					
7					

Part IV **Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.**PART I, LINE 2 - PROCEDURES FOR MONITORING USE OF GRANTS FUNDS IN U.S.**

THE ORGANIZATION VETS PARTICIPANTS BY EXAMINING AND CONFIRMING THEIR FOSTER YOUTH STATUS. IN ADDITION, SALES FORCE TRACKS ALL PAYMENTS BY PARTICIPANTS AND COMPARES TO THE INTENDED PURPOSE OF EACH DISTRIBUTION.

SCHEDULE J
(Form 990)

OMB No. 1545-0047

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 23.

▶ Attach to Form 990.

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

Department of the Treasury
Internal Revenue Service

2018
Open to Public Inspection

Name of the organization

JUST IN TIME FOR FOSTER YOUTH

Employer identification number

20-5448416

Part I **Questions Regarding Compensation**

	Yes	No
1 a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><input type="checkbox"/> First-class or charter travel</div> <div><input type="checkbox"/> Travel for companions</div> <div><input type="checkbox"/> Tax indemnification and gross-up payments</div> <div><input type="checkbox"/> Discretionary spending account</div> <div><input type="checkbox"/> Housing allowance or residence for personal use</div> <div><input type="checkbox"/> Payments for business use of personal residence</div> <div><input type="checkbox"/> Health or social club dues or initiation fees</div> <div><input type="checkbox"/> Personal services (such as maid, chauffeur, chef)</div>		

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	DONALD WELLS EXECUTIVE DIR.	(i) 135,000.	(ii) 5,000.	(iii) 3,000.	0.	14,564.	157,564.	0.
		(ii) 0.	0.	0.	0.	0.	0.	0.
2		(i)						
		(ii)						
3		(i)						
		(ii)						
4		(i)						
		(ii)						
5		(i)						
		(ii)						
6		(i)						
		(ii)						
7		(i)						
		(ii)						
8		(i)						
		(ii)						
9		(i)						
		(ii)						
10		(i)						
		(ii)						
11		(i)						
		(ii)						
12		(i)						
		(ii)						
13		(i)						
		(ii)						
14		(i)						
		(ii)						
15		(i)						
		(ii)						
16		(i)						
		(ii)						

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

- **Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
► **Attach to Form 990 or Form 990-EZ.**
► **Go to www.irs.gov/Form990 for instructions and the latest information.**

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2018

**Open To Public
Inspection**

Name of the organization

JUST IN TIME FOR FOSTER YOUTH

Employer identification number

20-5448416

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).
Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

- 2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ► \$
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ► \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered 'Yes' on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total						► \$						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2018

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) BILL AND GRETCHEN MORGAN	BOARD MEMBERS	38,400.	RENTAL PROPERTY FOR PROG		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information.

Provide additional information for responses to questions on Schedule L (see instructions).

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

- ▶ **Complete if the organizations answered 'Yes' on Form 990, Part IV, lines 29 or 30.**
- ▶ **Attach to Form 990.**
- ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization

JUST IN TIME FOR FOSTER YOUTH

Employer identification number

20-5448416

Part I **Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art — Works of art				
2 Art — Historical treasures				
3 Art — Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		29,434	FMV
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities — Publicly traded				
10 Securities — Closely held stock				
11 Securities — Partnership, LLC, or trust interests				
12 Securities — Miscellaneous				
13 Qualified conservation contribution — Historic structures				
14 Qualified conservation contribution — Other				
15 Real estate — Residential				
16 Real estate — Commercial				
17 Real estate — Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (SEE PART II).				
26 Other ▶ (.....).				
27 Other ▶ (.....).				
28 Other ▶ (.....).				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?

b If 'Yes,' describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b If 'Yes,' describe in Part II.

33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.

	Yes	No
30a		X
31	X	
32a		X
33		

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2018

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

**SCH M, PART I, LINES 25-28
OTHER NON-CASH CONTRIBUTIONS**

DESCRIPTION	APPL?	NUMBER OF CONTR.	REVENUE ON FORM 990, PART VIII	METHOD OF DETER. REV.
BUILDING MATERIALS	X	1	\$ 5,460.	FMV
FOOD		1	419.	FMV
BIKES		4	646.	FMV
GIFT BASKETS		2	650.	FMV
COMPUTER EQUIP		5	775.	FMV
TICKETS		3	1,580.	FMV
GIFT CARDS		46	8,450.	FMV
OTHER		39	11,650.	FMV
CLOTHING		21	8,575.	FMV
HOUSEHOLD GOODS		161	76,682.	FMV

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZComplete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

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JUST IN TIME FOR FOSTER YOUTH

20-5448416

FORM 990, PART X, LINES 27-29

JIT HAS ADOPTED THE PRINCIPLES OF FASB ASU NO. 2016-14 (ASC 958) FOR ITS AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019. TO DATE, FORM 990 AND ITS ASSOCIATED SCHEDULES HAVE NOT BEEN UPDATED TO REFLECT CHANGES MADE BY THIS STANDARD. WE HAVE INCLUDED THE NET ASSET CATEGORIES IN OUR AUDITED FINANCIAL STATEMENTS ON EXISTING FORM 990, PART X, LINES 27-29 AS FOLLOWS:

NET ASSETS WITHOUT DONOR RESTRICTIONS \$1,646,903

NET ASSETS WITH DONOR RESTRICTIONS \$402,733

TOTAL NET ASSETS \$2,049,636

UNRESTRICTED NET ASSETS \$1,646,903

TEMPORARILY RESTRICTED NET ASSETS \$402,733

TOTAL NET ASSETS \$2,049,636

FORM 990, PART III, LINE 1 - ORGANIZATION MISSION

JUST IN TIME FOR FOSTER YOUTH IS UNIQUELY FOCUSED ON DEVELOPING A NEW MODEL FOR DURABLE CHANGE FOR TRANSITION AGE FOSTER YOUTH. ONE THAT MOBILIZES FORMER FOSTER YOUTH STAFF AND COMMUNITY VOLUNTEERS TO PROVIDE THE CONSISTENT, AUTHENTIC RELATIONSHIPS AND CRITICAL RESOURCES NEEDED FOR YOUNG PEOPLE TO THRIVE AND BECOME CONFIDENT, CAPABLE AND CONNECTED.

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES DESCRIPTION

CONNECTIONS: MOBILIZING THE POWER OF 600+ VOLUNTEERS TO BUILD A WELCOMING COMMUNITY FOR ALL OUR PARTICIPANTS IS AT THE HEART OF JIT'S MODEL FOR LASTING CHANGE. THROUGH EVENTS SUCH AS MY FIRST HOME FOR THE HOLIDAYS, OUR ANNUAL THANKSGIVING DINNER, THE JIT FAMILY REUNION PICNIC, OUR INNOVATIVE COACH APPROACH TO MENTORING TRAINING FOR PARTICIPANTS AND VOLUNTEERS, AND OUTREACH THROUGH SPEAKING ENGAGEMENTS TO BUILD

Name of the organization

JUST IN TIME FOR FOSTER YOUTH

Employer identification number

20-5448416

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES DESCRIPTION

AWARENESS, AS WELL AS ON-LINE RESOURCES TO PROVIDE EASY ACCESS TO CURRENT AND FORMER PARTICIPANTS, JIT'S GOAL IS TO MAKE SURE EVERY ELIGIBLE YOUTH HAS THE CONNECTIONS THEY NEED FOR A SENSE OF BELONGING.

FORM 990, PART VI, LINE 2 - BUSINESS OR FAMILY RELATIONSHIP OF OFFICERS, DIRECTORS, ETC.

LAURI BUEHLER AND STEVEN BUEHLER HAVE A FAMILY RELATIONSHIP.

BILL AND GRETCHEN MORGAN HAVE A FAMILY RELATIONSHIP.

THE EXECUTIVE DIRECTOR, DON WELLS AND THE DIRECTOR OF DEVELOPMENT, DIANE COX HAVE A FAMILY RELATIONSHIP. THE DIRECTOR OF DEVELOPMENT REPORTS DIRECTLY TO THE BOARD CHAIR.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

990 IS REVIEWED INTERNALLY BY MANAGEMENT AND THEN BY THE BOARD OF DIRECTORS THROUGH POSTING IT ON THE BOARD PORTAL WEBSITE.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

ANY BOARD MEMBER HAVING A CONFLICT OF INTEREST IS PROHIBITED FROM VOTING REGARDING THAT PARTICULAR RELATED PARTY INTEREST AS WELL AS THE AUDITORS WERE ASKED TO REVIEW THE RULES AT A BOARD MEETING. THE FINANCE COMMITTEE AND EC COMMITTEE ALSO DISCUSSES AND REVIEWS RELATED PARTY ISSUES FOR COMPLIANCE.

FORM 990, PART VI, LINE 15A - COMPENSATION REVIEW & APPROVAL PROCESS - CEO & TOP MANAGEMENT

THE SALARIES OF OTHER LOCAL EXECUTIVE DIRECTORS IN SIMILAR POSITIONS ARE REVIEWED AND COMPARED IN ORDER TO DECIDE ON APPROPRIATE COMPENSATION.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

THE ORGANIZATION'S ANNUAL AUDITED FINANCIAL STATEMENTS ARE AVAILABLE ON THEIR WEBSITE FOR PUBLIC VIEWING. ALL OTHER DOCUMENTS ARE AVAILABLE UPON REQUEST.

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Go to **www.irs.gov/Form4562** for instructions and the latest information.

OMB No. 1545-0172

2018Attachment
Sequence No. **179**

Name(s) shown on return

JUST IN TIME FOR FOSTER YOUTH

Business or activity to which this form relates

Identifying number

20-5448416**DEPRECIATION SCHEDULES ONLY****Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2017 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instrs. .	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2019. Add lines 9 and 10, less line 12. ▶	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	10,174.

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2018	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. ▶ <input type="checkbox"/>		

Section B — Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C — Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 30-year			30 yrs	MM	S/L	
d 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	10,174.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812L 07/26/18

Form **4562** (2018)

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: Feeding Those in Need – Fresh Produce for the North County Food Bank Date Submitted: 10/7/2020	Total # of people served: 100,000 Total # of San Marcos residents served: 5,000	Amount Requested: \$10,000
Non-Profit Organization Name and Address, Website Jacobs & Cushman San Diego Food Bank 9850 Distribution Avenue San Diego, CA 92121	Contact Person – Name, Title & Phone, email Elisa Villarreal, Grants Manager 858-863-5192 evillarreal@sandiegofoodbank.org	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>The Jacobs & Cushman San Diego Food Bank (Food Bank) is requesting support for the purchase of much needed fresh produce to be distributed in North County San Diego. The economic challenges resulting from the COVID-19 Pandemic have had a significant impact on the work of the Food Bank. In order to meet the increased need for emergency food relief, the Food Bank will continue to purchase food including nutritious fresh fruits and vegetables. These funds will be utilized to purchase more than 76,000 pounds of fresh produce to be distributed to those facing food insecurity throughout the region.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The Food Bank remains the critical link for seniors, working poor families, the homeless, and nearly 39,000 active-duty military, veterans, and their families to meet basic needs. In North County, we provide food to nearly 100,000 individuals each month needing assistance. We are requesting support to purchase and distribute much needed fresh produce through our diverse array of programs.</p> <p>As the largest independent hunger-relief organization in San Diego County, the Food Bank faces a tremendous challenge in responding to COVID-19. Before COVID-19, in a typical month the San Diego Food Bank fed 350,000 individuals, since the statewide shelter-in-place orders that number has spiked to 600,000 per month. From March 15th through September 30th, we distributed 30 million pounds of food, that translates to nearly 1,000 semi-truck loads full of food. We are distributing more food to more people as we serve this growing need that many economic experts predict will persist over the coming months and well into next year.</p> <p>This fiscal year, the Food Bank’s goal is to distribute over 43 million pounds of food to individuals in need throughout San Diego County through our dynamic programming, 4 million pounds of which will be distributed to North County residents. With COVID-19 relief and recovery efforts expected to increase demand for the next 6-9 months, the logistics of keeping San Diego families fed and healthy are challenging. As schools and many businesses are still limiting operation, we anticipate serving a growing need for emergency food relief and must be prepared to act as economic uncertainty remains.</p> <p>Support from the San Marcos Community Foundation is critical in our ability to meet this increased need as the Food Bank is having to purchase nearly twice as much perishable and shelf-stable products for distribution. Currently, we estimate an additional \$7 million is needed to maintain the increased distribution levels.</p>		

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: 7/1/2020

Date by which funds will be expended: 6/30/2021

Signature of President or Authorized Officer

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): jcadima@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)

Fresh Produce Acquisition and Distribution _____	\$ <u>900,000</u> _
Personnel Expenses _____	\$ <u>175,000</u> _
Occupancy Expenses _____	\$ <u>30,000</u> _
Administrative/Transport _____	\$ <u>40,000</u> _
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total budget for this PROJECT: \$ 1,145,000 _

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

Is this a challenge grant? No Could it be?

Please list any other funding sources for this project.

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

\$ <u>75,000</u> _____ Price Philanthropies _____	** <u>C</u> _
\$ <u>5,000</u> _____ Grifols _____	** <u>P</u> _
\$ _____ (Name of source) _____	** _____
\$ _____ (Name of source) _____	** _____

**Jacobs & Cushman San Diego Food Bank
Proposed Budget FY 2020-2021**

		FY 2020/2021 Budget
Income		
Total Government Contracts	\$	4,700,000
Total Business Enterprise	\$	550,000
Total Private Donations	\$	6,890,000
Total Special Event Fundraising	\$	1,300,000
Total Investments	\$	300,000
Total Income	\$	13,740,000
Carry-over from previous fiscal year	\$	1,460,000
Total	\$	15,200,000
Expense		
Total Fundraising Expense	\$	1,972,000
Total Food Acquisition & Distribution	\$	5,574,000
Total Personnel Expenses	\$	5,604,000
Total Occupancy Expenses	\$	767,000
Total Administrative	\$	1,284,000
Total Expense	\$	15,200,000



Jacobs & Cushman San Diego Food Bank

Federal Tax ID # 20-4374795

State Tax ID # 2801904

Jacobs & Cushman San Diego Food Bank
Board of Directors
July 01, 2020 - June 30, 2021

Board of Directors

Steve Bernstein – Chairman

Executive Vice President

Wells Fargo Banking, N.A.

Sheldon Derezin – Treasurer

Vice President, Mergers and Acquisitions (RET)

Waxie Sanitary Supply

Dana Alligood

Market Executive, Global Commercial Bank – Middle Market

Bank of America Merrill Lynch

Corrine Brindley

Corporate Vice President, State of Affairs

Sea World Parks and Entertainment

Melissa Forrest

President – San Diego/Riverside Region

iHeart Media

Ahmed Haque

Director of Asset Management

Clearway Energy, Inc.

Chris Henn

President of U.S. Operations

Wawanesa Insurance

Drew Martin

Vice President & Chief Information Officer

Jack in the Box

Ray Patel

CEO (RET)

Fisher Scientific Products

John David Wicker

Director of Intercollegiate Athletics

San Diego State University

Kimberley Layton – Vice Chair

Vice President, External Affairs

Los Angeles Chargers

Clifford “Rip” Rippetoe – Secretary

President & CEO

San Diego Convention Center Corporation

Bob Bolinger

Vice President, Market Manager (RET)

Entercom

Jane Finley

Senior Vice President & Executive Director

Kaiser Permanente

Dale Ganzow

President & CEO

San Diego Employers Association

Scott Heath

President / General Manager

Fox 5 San Diego.

Sandy Kerl

General Manager

San Diego County Water Authority

Dr. Mihir Parikh

Medical Director

NVISION Centers

Darrell Pilant

Senior Vice President & General Manager (RET)

Harrah's Resort Southern California

Rick Williams

Vice President - South

Albertsons Companies, Inc.



The Jacobs & Cushman San Diego Food Bank and our North County Food Bank Chapter have been providing food and support to people struggling with food insecurity since 1977; we are the region's leading independent hunger relief organization. We respectfully request your consideration of our application for support in the amount of \$10,000 for the purchase and distribution of nutritious fresh produce. The Food Bank is able to procure produce at a rate of just \$0.13 per pound, and with this grant would be able to provide more than 76,000 pounds of fresh fruits and vegetables to San Diegans in need.

Through a combination of independent and government programs and partnerships with nearly 500 San Diego County non-profit allies (including shelters, food pantries, mobile pantries, soup kitchens, meal programs, and schools), the Food Bank acts as a central repository and distribution point for government and donated food for 100,000 hungry North County residents every month. To that end, last fiscal year, the Food Bank distributed 3.6 million pounds of food in North County, a full fourth of that was nutritious fresh fruits and vegetables.

San Diego County's unemployment rate has reached 14%—the economic challenges resulting from the COVID-19 Pandemic have had a significant impact on the work of the Food Bank. Before COVID-19, in a typical month the San Diego Food Bank fed 350,000 individuals, since the statewide shelter-in-place orders that number has spiked to 600,000 per month. From March 15th through the end of September, we distributed 30 million pounds of food, 43% more than the same period last year. As schools and many businesses remain closed, we know the need for emergency food relief will only persist. We anticipate that these numbers will hold or increase well into 2021.

More than ever before, the Food Bank remains the critical link for seniors, working poor families, the homeless, and nearly 39,000 active-duty military, veterans and their families to meet basic needs. The Food Bank's mission is to provide nutritious food to people in need, advocate for the hungry, and educate the public about hunger-related issues. Our primary goal is to eliminate hunger in San Diego County.

For families living on tight budgets, healthy foods like fresh produce can be costly. Research shows that individuals living on a tight budget do not shop around the outer walls of a grocery store, where the fresh, healthy foods are displayed – they cannot afford it. Families living in poverty are forced to subsist on processed foods high in preservatives – cheaper calories that will satiate their hunger, but that can have dire consequences for their physical health. Through the Food Bank's Fresh Produce

Initiative, we hope to address the negative effects of food insecurity and nutrition-related illnesses like Type 2 diabetes, obesity, and cardiovascular disease.

Our objectives this fiscal year for the North County region is to reach more than 100,000 children, families, and seniors and provide more than 1 million pounds of fresh produce to this targeted group.

The Food Bank will track several measurements to determine the impact and effectiveness of our programs on this food insecure population. Specifically, we ascertain the success of our emergency-food relief distribution objectives/outcomes by using the Food Bank's precise Primarius inventory control system which accounts for every pound of food taken in, what kind of food it is, where that food was distributed, and to whom that food was provided.

Through the Food Bank's Fresh Produce Initiative, a component of nearly all of our programs provides fresh fruits and vegetables to clients. Particularly now, as the economic effects of this crisis continue to be felt throughout the region, access to fresh produce can mean so much for families being forced to choose between buying groceries and paying rent. While we can measure the impact of the Food Bank in pounds of food delivered and numbers of recipients served, nothing can measure what it means to help people take control of their lives.

The Food Bank is positioned as a critical resource for this community, but as demand grows, philanthropic support is essential to our ability to serve. We appreciate the Foundation's kind consideration of our request. An investment in our work in North County not only supports the Food Bank, but more than 200 of our Nonprofit Partners who serve the food insecure in North County every month.

Form **990****Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)**2018**Department of the Treasury
Internal Revenue Service

▶ 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.Open 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:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization**JACOBS & CUSHMAN SAN DIEGO FOOD BANK**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

9850 DISTRIBUTION AVENUE

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

SAN DIEGO, CA 92121**F** Name and address of principal officer: **SHELDON DEREZIN****SAME AS C ABOVE****D** Employer identification number**20-4374795****E** Telephone number**(858) 527-1419****G** Gross receipts \$**53,443,072.****H(a)** Is this a group returnfor subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: **WWW.SANDIEGOFOODBANK.ORG****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: **2005****M** State of legal domicile: **CA****Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: PROVIDE FOOD TO PEOPLE IN NEED, ADVOCATE FOR THE HUNGRY AND EDUCATE THE PUBLIC ABOUT HUNGER ISSUES.		
	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)	25	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	24	
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	78	
	6	Total number of volunteers (estimate if necessary)	75174	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.	
7b	Net unrelated business taxable income from Form 990-T, line 38	0.		
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 43,607,283.	Current Year 51,632,775.
	9	Program service revenue (Part VIII, line 2g)	427,658.	567,880.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	26,285.	69,572.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	428,059.	433,334.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	44,489,285.	52,703,561.
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)	3,669,993.	4,175,535.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 2,083,527.		
Net Assets or Fund Balances	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	40,847,402.	45,879,419.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	44,517,395.	50,054,954.
	19	Revenue less expenses. Subtract line 18 from line 12	-28,110.	2,648,607.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 23,294,965.	End of Year 26,094,824.
	21	Total liabilities (Part X, line 26)	761,337.	836,096.
	22	Net assets or fund balances. Subtract line 21 from line 20	22,533,628.	25,258,728.

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

SHELDON DEREZIN, TREASURER

Type or print name and title

Paid

Print/Type preparer's name

RICHARD HOTZ

Preparer's signature

Date

04/03/20Check if self-employed ☐

PTIN

P00452784**Preparer**

Firm's name ▶

CONSIDINE & CONSIDINE

Firm's EIN ▶

95-2694444**Use Only**

Firm's address ▶

**8989 RIO SAN DIEGO DRIVE, SUITE 250
SAN DIEGO, CA 92108**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 Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☒ X**1** Briefly describe the organization's mission:

TO PROVIDE FOOD TO PEOPLE IN NEED, ADVOCATE FOR THE HUNGRY AND EDUCATE THE PUBLIC ABOUT HUNGER RELATED ISSUES.

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 \$ 32,732,907. Including grants of \$) (Revenue \$ 567,880.)
THE SAN DIEGO FOOD BANK PROVIDES FOOD AND NONFOOD ITEMS TO HUNGER RELIEF CHARITIES THROUGHOUT SAN DIEGO COUNTY. MEMBER AGENCY PROGRAM (MAP).

4b (Code:) (Expenses \$ 3,966,544. Including grants of \$) (Revenue \$)
TO PROVIDE FOOD AND NUTRITION EDUCATION TO ELIGIBLE LOW-INCOME PREGNANT WOMEN, WOMEN 12 MONTHS POSTPARTUM, BREAST-FEEDING MOTHERS, CHILDREN UNDER 6 YEARS OF AGE AND SENIORS OVER THE AGE OF 60. COMMODITY SUPPLEMENTAL FOOD PROGRAM (CSFP).

4c (Code:) (Expenses \$ 8,380,976. Including grants of \$) (Revenue \$)
THE EMERGENCY FOOD ASSISTANCE PROGRAM (EFAP) IS A FEDERAL PROGRAM THAT PROVIDES MONTHLY EMERGENCY AND SUPPLEMENTAL FOOD PACKAGES TO INDIVIDUALS AND FAMILIES WHO MEET THE INCOME GUIDELINES SET BY THE FEDERAL GOVERNMENT.

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

(Expenses \$ 2,165,314. Including grants of \$) (Revenue \$)

4e Total program service expenses 47,245,741.

Form 990 (2018)

**JACOBS & CUSHMAN SAN DIEGO FOOD BANK
A NONPROFIT ORGANIZATION
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

**JACOBS & CUSHMAN SAN DIEGO FOOD BANK
A NONPROFIT ORGANIZATION**

	Pages
I. Index	1
II. Independent auditor's report	2 - 3
III. Consolidated statements of financial position	4
IV. Consolidated statements of activities	5 - 6
V. Consolidated statements of functional expenses	7 - 8
VI. Consolidated statements of cash flows	9
VII. Notes to the consolidated financial statements	10 - 20

CONSIDINE CONSIDINE
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jacobs & Cushman San Diego Food Bank

We have audited the accompanying consolidated financial statements of Jacobs & Cushman San Diego Food Bank, a nonprofit organization, and subsidiary which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jacobs & Cushman San Diego Food Bank and subsidiary as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink, appearing to read "Considine & Considine", is positioned above the printed name of the firm.

CONSIDINE & CONSIDINE
An Accountancy Corporation

November 19, 2019

JACOBS & CUSHMAN SAN DIEGO FOOD BANK
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

Page 4

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 537,868	\$ 2,099,624
Certificates of deposit	2,207,242	1,228,361
Investments (note 6)	2,844,801	295,996
Accounts receivable (note 3)	664,940	583,305
Contributions receivable	229,034	268,960
Inventory (note 4)	5,069,420	3,620,455
Prepaid expenses and other current assets	<u>124,675</u>	<u>121,154</u>
	11,677,980	8,217,855
PROPERTY AND EQUIPMENT (note 5)	14,406,335	15,066,601
NONCURRENT ASSETS		
Other assets	<u>10,509</u>	<u>10,509</u>
TOTAL ASSETS	<u><u>26,094,824</u></u>	<u><u>23,294,965</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	303,786	341,404
Accrued liabilities (note 8)	507,499	385,385
Customer advances	<u>24,811</u>	<u>34,548</u>
TOTAL LIABILITIES	836,096	761,337
NET ASSETS (note 10)		
Without donor restrictions	23,185,706	20,899,135
With donor restrictions	<u>2,073,022</u>	<u>1,634,493</u>
TOTAL NET ASSETS	<u><u>25,258,728</u></u>	<u><u>22,533,628</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 26,094,824</u></u>	<u><u>\$ 23,294,965</u></u>

See accompanying notes

JACOBS & CUSHMAN SAN DIEGO FOOD BANK
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Page 5

	Without donor Restrictions	With donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Business enterprise (note 12)	\$ 41,739,386	\$ -	\$ 41,739,386
Private donations	5,803,742	1,759,087	7,562,829
Government contracts	2,593,934	-	2,593,934
	50,137,062	1,759,087	51,896,149
Special events (note 13)			
Special events revenue	1,474,302	-	1,474,302
Direct benefits to donors	(245,692)	-	(245,692)
	1,228,610	-	1,228,610
NET ASSET RESTRICTION TRANSFERS			
Revenue released from restriction	1,320,558	(1,320,558)	-
TOTAL REVENUE	52,686,230	438,529	53,124,759
EXPENSES			
Program services:			
Government programs	12,661,860	-	12,661,860
Non-Government programs	34,583,881	-	34,583,881
Total program services	47,245,741	-	47,245,741
Supporting services:			
Management and general	725,686	-	725,686
Fundraising	2,577,346	-	2,577,346
Total supporting services	3,303,032	-	3,303,032
	50,548,773	-	50,548,773
OTHER INCOME/(EXPENSE)			
Investment return	143,565	-	143,565
Other income	5,549	-	5,549
	149,114	-	149,114
CHANGE IN NET ASSETS	2,286,571	438,529	2,725,100
NET ASSETS, BEGINNING OF YEAR	20,899,135	1,634,493	22,533,628
NET ASSETS, END OF YEAR	\$ 23,185,706	\$ 2,073,022	\$ 25,258,728

See accompanying notes

JACOBS & CUSHMAN SAN DIEGO FOOD BANK
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Page 6

	Without donor Restrictions	With donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Support from the public:			
Business enterprise (note 12)	35,528,866	\$ -	\$ 35,528,866
Private donations	4,367,907	1,853,726	6,221,633
Government contracts	2,106,601	-	2,106,601
	<u>42,003,374</u>	<u>1,853,726</u>	<u>43,857,100</u>
Special events (note 13)			
Special events revenue	1,232,732	-	1,232,732
Direct benefits to donors	(256,545)	-	(256,545)
	<u>976,187</u>	<u>-</u>	<u>976,187</u>
NET ASSET RESTRICTION TRANSFERS			
Revenue released from restriction	1,254,552	(1,254,552)	-
TOTAL REVENUE	44,234,113	599,174	44,833,287
EXPENSES			
Program services:			
Government programs	9,252,358	-	9,252,358
Non-Government programs	32,497,222	-	32,497,222
Total program services	<u>41,749,580</u>	<u>-</u>	<u>41,749,580</u>
Supporting services:			
Management and general	632,999	-	632,999
Fundraising	2,510,367	-	2,510,367
Total supporting services	<u>3,143,366</u>	<u>-</u>	<u>3,143,366</u>
	44,892,946	-	44,892,946
OTHER INCOME/(EXPENSE)			
Investment return	38,850	-	38,850
Other income	5,264	-	5,264
	<u>44,114</u>	<u>-</u>	<u>44,114</u>
CHANGE IN NET ASSETS	(614,719)	599,174	(15,545)
NET ASSETS, BEGINNING OF YEAR	21,513,854	1,035,319	22,549,173
NET ASSETS, END OF YEAR	<u>\$ 20,899,135</u>	<u>\$ 1,634,493</u>	<u>\$ 22,533,628</u>

See accompanying notes

JACOBS & CUSHMAN SAN DIEGO FOOD BANK
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

Page 7

	Program Services			Supporting Services			
	Government	Non-	Total	Management		Total	
	Programs	Government	Program	and General	Fundraising	Supporting	Total
		Programs	Services			Services	
Administrative support	\$ -	\$ -	\$ -	\$ 3,797	\$ -	\$ 3,797	\$ 3,797
Bank charges	-	2,070	2,070	23,787	59,375	83,162	85,232
Contract services	62,606	49,208	111,814	53,075	360,910	413,985	525,799
Depreciation and amortization	351,098	377,551	728,649	59,982	68,602	128,584	857,233
Direct mail and marketing	-	64,119	64,119	5,646	995,889	1,001,535	1,065,654
Dues and subscriptions	2,712	22,850	25,562	10,347	14,664	25,011	50,573
Equipment rental	4,256	5,850	10,106	3,838	73,160	76,998	87,104
Food acquisition and distribution	10,842,358	31,683,516	42,525,874	3,822	2,841	6,663	42,532,537
Insurance	11,744	15,419	27,163	17,293	2,561	19,854	47,017
Meeting expenses	763	6,276	7,039	11,006	7,965	18,971	26,010
Personnel expenses	1,134,804	1,709,485	2,844,289	459,470	977,684	1,437,154	4,281,443
Printing and mailing	18,004	38,233	56,237	5,789	83,292	89,081	145,318
Repairs and maintenance	74,855	202,481	277,336	13,823	18,445	32,268	309,604
Supplies	43,472	190,641	234,113	19,156	109,743	128,899	363,012
Telephone	11,318	20,125	31,443	1,706	2,087	3,793	35,236
Travel	18,519	33,865	52,384	22,012	26,549	48,561	100,945
Warehouse expenses	85,351	162,192	247,543	11,137	19,271	30,408	277,951
	12,661,860	34,583,881	47,245,741	725,686	2,823,038	3,548,724	50,794,465
Less: Direct benefits to donors at special events included in revenue	-	-	-	-	(245,692)	(245,692)	(245,692)
Total expenses included in the expense section of the statement of activities	\$ 12,661,860	\$ 34,583,881	\$ 47,245,741	\$ 725,686	\$ 2,577,346	\$ 3,303,032	\$ 50,548,773

See accompanying notes

JACOBS & CUSHMAN SAN DIEGO FOOD BANK
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

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	Program Services			Supporting Services			
	Government	Non-	Total	Management		Total	
	Programs	Government	Program	and General	Fundraising	Supporting	Total
		Programs	Services			Services	
Administrative support	\$ -	\$ -	\$ -	\$ 2,390	\$ -	\$ 2,390	\$ 2,390
Bank charges	-	2,172	2,172	25,479	57,089	82,568	84,740
Contract services	54,583	43,642	98,225	24,441	321,818	346,259	444,484
Depreciation and amortization	324,596	365,171	689,767	56,805	64,919	121,724	811,491
Direct mail and marketing	14,921	39,263	54,184	7,011	1,114,754	1,121,765	1,175,949
Dues and subscriptions	2,066	27,910	29,976	7,152	17,780	24,932	54,908
Equipment rental	3,411	5,381	8,792	2,038	64,929	66,967	75,759
Food acquisition and distribution	7,679,692	30,076,248	37,755,940	3,217	5,058	8,275	37,764,215
Insurance	12,068	16,853	28,921	15,510	3,443	18,953	47,874
Meeting expenses	106	7,442	7,548	5,809	9,396	15,205	22,753
Personnel expenses	963,034	1,452,735	2,415,769	451,829	893,067	1,344,896	3,760,665
Printing and mailing	23,380	32,383	55,763	3,219	55,501	58,720	114,483
Repairs and maintenance	38,146	56,126	94,272	5,059	17,162	22,221	116,493
Supplies	32,005	153,401	185,406	5,919	96,993	102,912	288,318
Telephone	7,642	15,176	22,818	1,081	1,376	2,457	25,275
Travel	14,470	36,282	50,752	7,163	29,553	36,716	87,468
Warehouse expenses	82,238	167,037	249,275	8,877	14,046	22,923	272,198
	9,252,358	32,497,222	41,749,580	632,999	2,766,884	3,399,883	45,149,463
Less: Direct benefits to donors at special events included in revenue	-	-	-	-	(256,545)	(256,545)	(256,545)
Total expenses included in the expense section of the statement of activities	\$ 9,252,358	\$ 32,497,222	\$ 41,749,580	\$ 632,999	\$ 2,510,339	\$ 3,143,338	\$ 44,892,918

See accompanying notes

**JACOBS & CUSHMAN SAN DIEGO FOOD BANK
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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	<u>2019</u>	<u>2018</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 2,725,100	\$ (15,545)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	857,233	811,491
Loss on disposal of equipment	(2,500)	-
Net realized and unrealized investment gain	(87,534)	(12,565)
In-kind investment contributions	(165,370)	(102,660)
Change in contributed food inventory	(1,302,997)	268,214
Change in operating assets and liabilities:		
Accounts receivable	(81,635)	(211,936)
Contributions receivable	39,926	(34,310)
Inventories	(145,968)	(62,080)
Prepaid expenses and other current assets	(3,521)	(60,517)
Accounts payable	(37,618)	187,270
Accrued expenses	122,114	44,401
Customer advances	(9,737)	(3,979)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,907,493</u>	<u>807,784</u>
CASH FLOWS USED BY INVESTING ACTIVITIES		
Cash paid for purchases of fixed assets	(196,967)	(439,859)
Cash paid for purchases of investments	(5,909,705)	(78,088)
Proceeds on sale of investments	2,634,923	-
Proceeds on sale of equipment	2,500	-
	<u>(3,469,249)</u>	<u>(517,947)</u>
NET INCREASE/(DECREASE) IN CASH	(1,561,756)	289,837
CASH, BEGINNING OF YEAR	<u>2,099,624</u>	<u>1,809,787</u>
CASH, END OF YEAR	<u><u>\$ 537,868</u></u>	<u><u>\$ 2,099,624</u></u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

See accompanying notes

JACOBS & CUSHMAN SAN DIEGO FOOD BANK
A NONPROFIT ORGANIZATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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NOTE 1 THE ORGANIZATION

Jacobs & Cushman San Diego Food Bank (the "Organization"), incorporated under the laws of the State of California, operates as a nonprofit public-benefit organization that provides food to people in need, advocates for the hungry, connects the population it serves to a range of health and human service providers, and educates the public about hunger in San Diego County. The Organization operates as a central repository and distribution point for USDA commodities and donated food. Through its own direct distributions and through a network of over 460 nonprofit hunger relief organizations, Jacobs & Cushman San Diego Food Bank distributes approximately 31 million pounds of food annually to people in need throughout San Diego County. In November 2011, the Organization transferred the building to The Jacobs & Cushman San Diego Food Bank Building, LLC, which is 100% owned by the Jacobs & Cushman San Diego Food Bank.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The accompanying consolidated financial statements are prepared using the accrual method of accounting in conformity with generally accepted accounting principles.

Consolidations – The accompanying consolidated financial statements include the accounts of Jacobs & Cushman San Diego Food Bank and its 100% owned subsidiary, The Jacobs & Cushman San Diego Food Bank Building, LLC. All significant intercompany transactions and accounts have been eliminated.

Estimates – The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates.

Financial statement presentation – The Organization follows the Financial Accounting Standards Board's (FASB) Financial Statements of Not-for-Profit Organizations for presentation of its financial statements which requires that net assets, support, revenue and gains, expenses and losses be classified as without donor restrictions or with donor restriction.

Net assets without restrictions – Net assets without restrictions consist 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 with restrictions – Net assets with restrictions are those which are restricted by donors for specific operating purposes and are not currently available for use in the Organization's operations until commitments regarding their use have been fulfilled.

Cash – The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents. The Organization maintains several bank accounts with Wells Fargo, which at times may exceed the federally insured deposit limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash.

Contributions receivable – Contributions receivable consist of donor promises to give. It is the Organization's policy to charge off uncollectible contributions receivable when management determines

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JUNE 30, 2019 AND 2018

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the receivable will not be collected. All contributions receivable are short-term and therefore, no present value discounting was recorded. All contributions receivable are considered collectible as of June 30, 2019 and 2018.

Inventory – Inventory consists of food products received through government programs sponsored by the USDA (Emergency Food Assistance Program and Commodity Supplemental Food Program), purchased and donated food products. The Organization records contributed food received from the USDA based on actual food product prices provided by the corresponding USDA program. During the years ended June 30, 2019 and 2018, the USDA Emergency Food Assistance Program food product prices averaged \$0.83 and \$0.67 per pound, respectively, and USDA Commodity Supplemental Food Program food product prices averaged \$0.69 and \$0.68 per pound, respectively. All other contributed food items are valued using an average cost based on the industry standard of \$1.66 per pound for the years ended June 30, 2019 and 2018.

Property and equipment – Property and equipment are carried at cost, or if donated, at fair value. The Organization capitalizes nonroutine improvements over \$5,000. Depreciation is computed using the straight-line method of depreciation over the assets estimated useful lives of five to thirty-nine 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.

Investments – Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Fair value measurement – The Organization follows accounting standards which define fair value, establish a framework for measuring fair value and expand disclosures about fair value measurements for all financial assets and liabilities.

Revenue recognition – Revenue is recognized when earned, which may be when cash is received, unconditional promises made, ownership of other assets transferred, or services rendered. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. Revenues from reimbursable expenses are recognized when all requirements are met and the Organization is entitled to the revenue. Shared maintenance fees represent amounts charged to agencies for food from the marketplace for a nominal per pound fee.

Concentrations – In the current period, a significant amount of food receipts and grants were provided by government contracts. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

Functional expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management estimates. Directly identifiable expenses are charged to program and supporting services. General operating costs across nearly all natural categories are allocated among the program and supporting services on a reasonable basis. The Organization allocates expenses using four different formulas based

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A NONPROFIT ORGANIZATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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on the type of expense and update this allocation on a quarterly basis based on the pounds of food distributed by category. For the years ended June 30, 2019 and 2018 program expenses were 93.47% and 93.00%, management and general were 1.44% and 1.41%, and fundraising were 5.09% and 5.59%, 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 consolidated financial statements.

The Organization follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the consolidated financial statements and prescribes a recognition threshold and measurement attribute for the consolidated financial statements and recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or expected to be taken in a tax return. 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 (ASU) 2016-14, Not-for Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. 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. The ASU is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization's management elected to adopt this ASU effective for the year ended June 30, 2019.

The new standards change the following aspects of the Organization's financial statements:

- The temporarily restricted net asset 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 11).
- The net asset disclosure was expanded.
- The description of the method of allocation of functional expenses has been expanded.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2019	2018
Government contracts receivable	\$ 617,186	\$ 553,005
Marketplace food purchases	47,754	29,894
Other receivables	-	406
	<u>\$ 664,940</u>	<u>\$ 583,305</u>

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Management assesses the collectability of all accounts receivable at the close of each period and records an allowance for doubtful accounts based on specific identification. Management has determined all receivables were collectible at June 30, 2019 and 2018.

Government contracts receivable relates to reimbursements under government programs that have not been received from the respective government agency. It represents the amount due through the years ended June 30, 2019 and 2018, respectively.

NOTE 4 INVENTORY

Inventory consists of the following:

	2019	2018
Marketplace		
Donated	\$ 1,835,575	\$ 1,975,806
Purchased	284,816	211,832
	<u>2,120,391</u>	<u>2,187,638</u>
EFAP government contract	2,413,416	888,000
CSFP government contract	535,613	544,817
	<u>\$ 5,069,420</u>	<u>\$ 3,620,455</u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2019	2018
Building improvements	\$ 7,329,615	\$ 7,295,463
Building	5,578,840	5,578,840
Land	4,378,000	4,378,000
Warehouse equipment	1,280,530	1,173,283
Transportation equipment	836,083	799,682
Furniture and office equipment	445,362	438,194
	<u>19,848,430</u>	<u>19,663,462</u>
Accumulated depreciation	<u>(5,442,095)</u>	<u>(4,596,861)</u>
	<u>\$ 14,406,335</u>	<u>\$ 15,066,601</u>

Depreciation expense was \$857,233 and \$811,491 for the years ended June 30, 2019 and 2018, respectively.

NOTE 6 INVESTMENTS

The Organization invests funds in a professionally managed portfolio that may include various types of fixed income investments. Some of these investments are exposed to various risks, such as fluctuations in market value, interest rate, or credit risk. Therefore, the Organization's investments may be subject to

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significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Investments recorded at cost included certificates of deposit. Investments carried at cost are not required to be classified in one of the levels prescribed by the fair value hierarchy.

Cost and fair value of available-for-sale securities are as follows:

	2019	
	Cost	Fair Value
Corporate stocks	\$ 1,304,662	\$ 1,414,683
Mutual funds	1,430,118	1,430,118
	<u>\$ 2,734,780</u>	<u>\$ 2,844,801</u>

	2018	
	Cost	Fair Value
Corporate stocks	\$ 248,653	\$ 273,633
Mutual funds	15,055	22,363
	<u>\$ 263,708</u>	<u>\$ 295,996</u>

Investment income is included in other income on the consolidated statements of activities and consists of the following:

	2019	2018
Interest and dividends	\$ 56,031	\$ 26,403
Realized and unrealized gains	\$ 87,534	\$ 12,565

NOTE 7 FAIR VALUE MEASUREMENT

The Organization follows the method of fair value to value its financial assets and liabilities. 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.

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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.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Financial assets and liabilities carried at fair value at June 30, 2019 are classified below in one of three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Corporate stocks	\$ 1,414,683	\$ -	\$ -	\$ 1,414,683
Mutual funds	1,430,118	-	-	1,430,118
	<u>\$ 2,844,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,844,801</u>

Financial assets and liabilities carried at fair value at June 30, 2018 are classified below in one of three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Corporate stocks	\$ 273,633	\$ -	\$ -	\$ 273,633
Mutual funds	22,363	-	-	22,363
	<u>\$ 295,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,996</u>

The tables above exclude investments in certificates of deposits which are accounted for on the cost basis of \$2,207,242 and \$1,228,361 at June 30, 2019 and 2018, respectively, which are not subject to ASC 820.

The investments in corporate stocks and mutual funds are valued at market prices in active markets and are classified as level 1.

JACOBS & CUSHMAN SAN DIEGO FOOD BANK
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NOTE 8 ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	2019	2018
Accrued payroll	\$ 318,380	\$ 232,927
Accrued vacation	188,669	151,758
Accrued other	450	700
	<u>\$ 507,499</u>	<u>\$ 385,385</u>

NOTE 9 LINE OF CREDIT

The Organization has a \$1,000,000 line of credit with Wells Fargo. The Organization has not drawn upon the line of credit as of June 30, 2019 and 2018. The line has a maturity date of December 15, 2019 and bears interest at the Wells Fargo prime rate plus 0.25% and 0.75% as of June 30, 2019 and 2018, respectively, (6.25% at June 30, 2019 and 5.75% at June 30, 2018) with a 5% floor. The line of credit is secured by the Organization's inventory and accounts receivable.

NOTE 10 NET ASSETS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by donors during the years ended June 30 are as follows:

	2019	2018
Capital expenditures	\$ -	\$ 90,000
Purpose restriction accomplished:		
Backpack	506,962	394,983
FEED	255,003	-
Farm to family	211,457	293,547
College hunger relief & grab-n-go pantries	145,331	17,084
Hunger Is	130,884	126,238
Disaster relief	38,194	211,806
Operation gobble	28,448	35,371
Diaper bank	4,118	13,704
Roof	161	-
Solar	-	4,200
SONDAS	-	31,833
Mid city	-	35,816
	<u>1,320,558</u>	<u>1,164,582</u>
	<u>\$ 1,320,558</u>	<u>\$ 1,254,582</u>

JACOBS & CUSHMAN SAN DIEGO FOOD BANK
A NONPROFIT ORGANIZATION
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Net assets consist of the following at June 30:

	2019	2018
Without donor restrictions	\$ 23,185,706	\$ 20,899,135
With donor restrictions:		
Backpack program	1,579,762	1,423,361
FEED	119,997	-
Solar	101,145	100,823
College hunger relief & grab-n-go pantries	231,079	52,946
Diaper bank	41,039	18,936
Disaster relief	-	38,194
Roof	-	161
Operation gobble	-	72
	<u>2,073,022</u>	<u>1,634,493</u>
Total net assets	<u>\$ 25,258,728</u>	<u>\$ 22,533,628</u>

NOTE 11 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year-end:	
Cash and cash equivalents	\$ 537,868
Accounts receivable	664,940
Contributions receivable	229,034
Certificates of deposit	2,207,242
Investments	2,844,801
	<u>\$ 6,483,885</u>
Less:	
Donor imposed restrictions making financial assets unavailable for general expenditure	<u>2,073,022</u>
Financial assets available to meet general expenditure within one year	<u>\$ 4,410,863</u>

The Organization is partially supported by restricted contributions. Due to donor restrictions requiring resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization'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, the Organization sets aside cash in excess of daily requirements in its reserve and investment accounts. In the event of an unanticipated liquidity need, the Organization

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also could draw upon its line of credit (see note 9). The Organization also owns the building it operates in San Diego, CA debt free that it could borrow against if necessary.

NOTE 12 BUSINESS ENTERPRISE

Business enterprise revenue consists of the following:

	2019	2018
Non-cash food receipt contributions		
Donated	\$ 29,331,996	\$ 27,938,935
Government - EFAP	8,947,681	4,442,119
Government - CSFP	2,880,259	2,706,442
	<u>41,159,936</u>	<u>35,087,496</u>
Shared maintenance fees	567,880	427,658
Recycling and energy rebate	11,570	13,712
	<u><u>\$ 41,739,386</u></u>	<u><u>\$ 35,528,866</u></u>

NOTE 13 SPECIAL EVENTS

Special event revenues and expenses are directly related to several events including galas, blues festival and golf tournaments and consist of the following for the years ended June 30:

	2019	2018
Revenue		
Sponsorship	\$ 696,631	\$ 663,088
Ticket sales	229,953	210,755
Donations	316,076	171,563
Merchandise and auctions proceeds	165,874	130,018
Food and beverage	65,768	57,308
	<u>1,474,302</u>	<u>1,232,732</u>
Expenses:		
Direct benefits to donors	245,692	256,545
Other expenses	493,819	375,551
	<u>739,511</u>	<u>632,096</u>
Total net income	<u><u>\$ 734,791</u></u>	<u><u>\$ 600,636</u></u>

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Special events expenses are included in the consolidated statements of functional expenses as follows:

	2019	2018
Contract services	\$ 327,763	\$ 296,143
Direct mail and marketing	157,439	124,819
Supplies	106,039	92,729
Equipment rental	72,318	62,827
Other fundraising accounts	46,857	36,010
Printing and mailing	29,095	19,568
	<u>\$ 739,511</u>	<u>\$ 632,096</u>

NOTE 14 RETIREMENT PLAN

The Organization sponsors a 403(b) plan which covers all eligible employees. The Organization makes a matching contribution equal to the lesser of 200% of the employee contribution or 3% of the employee's compensation. The Organization's contribution to the 403(b) for the years ended June 30, 2019 and 2018 was \$137,466 and \$121,077, respectively.

NOTE 15 COMMITMENTS

The Organization leases equipment and trucks under an operating leases that expire between February 2019 and June 2023. Minimum future payments under non-cancelable operating lease having remaining terms in excess of one year for the years ended June 30 are as follows:

2020	\$ 113,796
2021	113,796
2022	110,852
2023	83,633
2024	23,628
2025	23,628
	<u>\$ 469,333</u>

Equipment lease expense for the years ended June 30, 2019 and 2018 were approximately \$114,000.

NOTE 16 RELATED PARTY TRANSACTIONS

The President of the Organization is also the Chairman of the Board of California Association of Food Banks ("Association"). The Organization purchases food from the Association for various programs. For the years ended June 30, 2019 and 2018, the Organization paid \$1,391,414 and \$720,924, respectively, to the Association for food purchases. In addition, the Organization paid \$16,275 in annual membership dues for the years ended June 30, 2019 and 2018. At June 30, 2019 and 2018, the Organization owes the Association \$45,390 and \$24,686, respectively, and is included in accounts payable on the statement of financial position.

**JACOBS & CUSHMAN SAN DIEGO FOOD BANK
A NONPROFIT ORGANIZATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Page 20

The Association is also the pass-through agency for the SNAP program. For the years ended June 30, 2019 and 2018, the Organization was reimbursed \$42,773 and \$41,833, respectively, through the SNAP program. At June 30, 2019 and 2018, the Organization has amounts due from the Association of \$22,143 and \$30,765, respectively, and is included in accounts receivable on the statement of financial position.

NOTE 17 SUBSEQUENT EVENT

Management has evaluated subsequent events through November 19, 2019, the date the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the consolidated financial statements.



The Elizabeth Hospice

GRIEF SUPPORT SERVICES **San Marcos Community Foundation** **2020-21 Regular Grant Proposal**

MISSION AND HISTORY

The mission of The Elizabeth Hospice is to enhance the quality of life for those nearing the end of life's final journey and for those who grieve. Since 1978, we have served as a community resource to more than 120,000 individuals in San Diego and Southwest Riverside Counties faced with the overwhelming physical, emotional and social challenges brought on by advanced serious illness.

As a local independent, community-based nonprofit hospice, our focus is to ensure that hospice care and bereavement services are available to all in the community who need it regardless of their financial situation or how their person died. Providing mental health support to children and adults who are grieving the loss of a loved one is a vital part of our mission. Our hospice families and the community-at-large can rely on The Elizabeth Hospice as a resource for grief counseling, emotional comfort and bereavement education at any time during their grief journey. A hospice patient affiliation is not required.

COMMUNITY NEED

The need for grief support is immediate and ongoing. Grief can affect a person's mental and physical well-being and impact the community around them. There is no time limit on how long or when a person should grieve. People can come to us for support anytime during their grief journey. Through our programs and services, our counselors and trained volunteers help children, teens and adults mitigate anxiety, depression and loneliness to help them find joy in their lives again.

PROGRAM

The Elizabeth Hospice Grief Support Services are free or available at low-cost to ensure access to the entire community. Services include individual and group counseling, support groups, workshops, community events, resource materials, and specialized programs for children and their families. We are also a free resource for crisis support after a community tragedy. During the pandemic, we successfully adapted our care delivery to comply with health and social distancing requirements in order to continue serving the community.

PROGRAM GOAL

Our grief support services focus on improving a person's quality of life by reducing the negative consequences associated with the loss of a loved one. The goal is to teach children and adults the skills to successfully manage their grief so they can find joy in their lives again.

These Grief Support Services are more critical now than ever. Today's global health climate, combined with physical distancing requirements, can intensify a grieving person's feelings of stress, anxiety and isolation. A grant from San Marcos Community Foundation helps ensure that any person needing grief support in our community can access our services.

POPULATION SERVED

Last fiscal year ending June 30, 2020, our interdisciplinary team of physicians, nurses, home health aides, social workers, and chaplains cared for 2,651 patients throughout San Diego County and Southwest Riverside County. Nearly 80 percent of our patients were age 60 or older. We provided \$288,000 in charitable hospice services to 30 uninsured and underinsured patients. Our Grief Services Support staff and trained volunteers provided support and resources to over 4,200 individuals, including 800 children and their families.

Our children's programs are the most comprehensive suite of services available for grieving children, 3 to 17, in San Diego and Southwest Riverside Counties. Before COVID-19, more than 1,100 children and adults participated in our various children's programs annually through:

- 22-25 peer support groups conducted on-campus in 20 school districts, including San Marcos Unified; Bereavement training was provided to 217 school professionals to help them support their grieving students and serve as a resource for their school districts. Our team continued to offer support through phone, email and videoconference after schools closed in March.
- 12-14 peer support groups at our two children's bereavement centers in Escondido and Mission Valley; An additional 135 caregivers attended concurrent adult support groups to prepare them to support their grieving child(ren). Groups pivoted to a virtual platform during the pandemic.
- Two weekend-sessions of Camp Spero for 200 children; This popular camp transitioned to a home-based format in Summer 2020 due to the pandemic.

SAN MARCOS COMMUNITY HIGHLIGHTS (July 1, 2019 – June 30, 2020):

- 106 hospice patients;
- 20 volunteers provided 179 hours of support to 26 patients through bereavement calls/counseling sessions, patient visits, alternative therapies, and other services on 153 occasions;
- 22 individuals received counseling or participated in our grief support groups;
- 98 individuals received calls and/or resource materials following the loss of their loved one;
- 5 children and 4 adults participated in the peer groups at our Escondido Children's Bereavement Center;
- The pandemic canceled a Spring 2020 student support group at Woodland Park Middle School;
- Grief Services provided crisis support to 8 teachers from Discovery Elementary;
- A staff counselor served as a guest lecturer during Fall 2019 for *Grief and Loss for the Working Professional* at California State University, San Marcos (CSUSM) attended by 35 nursing students. The pandemic forced the cancellation of the Spring 2020 lecture.
- A staff counselor facilitated a monthly campus-based support group for CSUSM students.



The Elizabeth Hospice

Grief Support Groups provide an opportunity to learn from others who are grieving the loss of a loved one. Led by professionally trained counselors and volunteer facilitators, they are a safe, non-judgmental place for families and individuals to find comfort while learning coping skills. Currently all counseling sessions are offered via Zoom. There is no charge to attend. All California residents are welcome. To enroll, call 760-737-2054.

General Grief and Loss Groups for Adults

Every Tuesday, 10:30-11:30 a.m.

Every Thursday, 4:00-5:00 p.m.

Specialty Support Groups for Adults

Lullabies Lost Group

For parents and grandparents grieving the death of their baby from any means.

Every Tuesday, 7:30-8:30 p.m.

Spouse Loss Group

Every Tuesday, 6:00-7:30 p.m.

Every Wednesday, 3:00-4:30 p.m.

Parent Loss Group

1st and 3rd Wednesdays, 6:00-7:30 p.m.

Caregiver Support Group

2nd and 4th Tuesdays, 10:00-11:30 a.m.

Child Loss Group

2nd and 4th Wednesdays, 6:00-7:30 pm

1st and 3rd Mondays, 6:00-7:30 pm

Children/Teen Grief Support Groups

Call Samira Moosavi for details: 760-796-3701

Littles (ages 3 – 6)

Elementary (ages 6-12)

Middles (ages 11-13)

Teens (ages 13-17)

School-Based Children's Support Groups are available at elementary, middle and high school campuses throughout San Diego County and Southwest Riverside County upon request.



Sunday, November 15
Outdoor Courtyard
California Center for the Arts, Escondido
340 N Escondido Blvd, Escondido

Stop by anytime between 4:00 and 6:00 pm for a walk along a path decorated with luminarias and light a candle in memory of your special person.

FREE | Everyone is welcome

Register [HERE](#)

For your safety, guests and staff will remain 6 ft. apart and will be required to wear face masks.



The Elizabeth Hospice

SUPPLEMENTAL BUDGET WORKSHEET ATTACHMENT

The Elizabeth Hospice Children's Bereavement Program relies solely on grants, individual and corporate contributions, and proceeds from our annual golf tournament and dinner auction to ensure our children's bereavement services are available at no cost to all families. Grief services are available to our hospice families at no charge. Members of the community-at-large may receive individual counseling on a sliding fee scale and may participate in our support groups and community events at no cost.

As a community-based nonprofit, services are available to any person needing hospice care and grief support regardless of their ability to pay.

In Fiscal Year 2019-20, we secured \$141,500 in contributions (\$2,500 or more) from the following funders for our Children's Bereavement Program:

- Disabled American Veterans
- Samuel and Katherine French Foundation
- Hunter Industries
- New York Life Insurance
- Rotary Club of Escondido
- San Diego Chinese Women's Association
- The Elizabeth Hospice Golf Classic, Auction & Dinner Net Proceeds

To date in Fiscal Year 2020-21, we have received commitments from:

- Rob Benzon Foundation
- Hunter Industries
- Rest Haven Children's Fund
- Rotary Club of Escondido
- Samuel and Katherine French Fund

We net approximately \$60,000 from our first virtual dinner auction on September 17, 2020.

Our golf tournament, typically held in September, is tentatively scheduled for March 2021 at Twin Oaks Golf Course in San Marcos.



The Elizabeth Hospice

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED) AS OF JUNE 30, 2020

	YTD Actual	
REVENUE		
Medicare	\$ 32,875,497	
MediCal	\$ 2,710,558	
Commercial Ins	\$ 1,659,861	
Other	\$ 440,792	
Revenue Adjustments	\$ (1,842,386)	
Total Revenue	35,844,322	
 Program Expenses		
Salaries, Taxes & Benefits	\$ 18,051,850	
Patient Expenses	\$ 4,213,799	
Facility & Admin Expenses	\$ 123,901	
Total Program Expenses	22,389,549	62%
 General & Administrative Expenses		
Salaries, Taxes & Benefits	\$ 7,566,537	
Facility & Admin Expenses	\$ 4,146,414	
Total G&A	11,712,951	33%
 Total Expenses	34,102,500	
 Palliative Care	\$ 586,014	
 Net Operational Income	1,155,809	3%
 Net Gains & Loss	\$ 681,608	2%
 Net Development Revenue	\$ 2,743,296	8%
 Net Special Programs Expense	\$ 1,212,660	3%
 Net Income	3,368,053	9%



STATE OF CALIFORNIA

FRANCHISE TAX BOARD

9750 BUSINESS PARK DRIVE, SUITE 214
ACRAMENTO, CALIFORNIA 95827-1702

April 25, 1988

RECEIVED APR 28 1988

In reply refer to
347:RTF:EO:MS:dhRose Lochmann
1855 Valley Parkway, 107
Escondido, CA 92027

Purpose : Charitable
Form of Organization : Corporation
Accounting Period Ending: June 30
Organization Number : 0893584

This letter confirms your previous exemption from state franchise and income tax under Section 23701d, Revenue and Taxation Code. In confirming your exempt status, we have made no examination of your current activities. If the organization has changed its operation, character, or purpose since exemption was originally granted, that change must be reported immediately to this office.

— You are still 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 5th month (4 1/2 months) after the close of your annual accounting period.

• Contributions made to you are deductible by donors as provided by Sections 17214 through 17216.2 and 24357 through 24359 of the Code, unless your purpose is testing for Public Safety.

Special Audit Section
Telephone (800) 852-5711

cc: The Elizabeth Hospice, Inc.

FTB 4204-ATS (REV. 8-87)

82101



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities

THE ELIZABETH HOSPICE INC
% ELIZ
500 LA TERRAZA BLVD STE 130
ESCONDIDO, CA 92025

Date:

March 21, 2018

Person to contact:

Name: Ms. Benjamin

ID number: 0196814

Employer ID number:

95-3275679

Form 990 required:

Yes

Dear Sir or Madam:

We're responding to your request dated February 7, 2018 about your tax-exempt status.

We issued you a determination letter in January 1979, recognizing you as tax-exempt under Internal (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi)

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, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period.

- Form 990, Return of Organization Exempt From Income Tax
- Form 990-EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

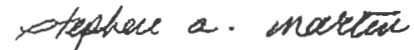
Letter 4168 (2-2018)
Catalog Number 66666G

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

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

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Stephen A. Martin".

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

The Elizabeth Hospice, Inc.
Board of Directors
Fiscal Year 2021
(July 1, 2020 to June 30, 2021)

Name		Occupation
Theodore Davis	Board Secretary Audit Committee Chair	Retired, Sr. VP Legal Division Union Bank of California
Doug Dawson	Philanthropy Committee Chair	Executive Director Ellen Browning Scripps Foundation The Conrad Prebys Foundation
Michelle Hays	Immediate Past Board Chair & Board Secretary	Chief Financial Officer
Dan Laframboise	Chair-elect Treasurer & Finance Committee Chair	President, DL Wealth Management Group
Fred Nasseri		Owner Unicorn Jewelry
Mark Neu	Chair of the Board	MHA CHC CCEP Compliance Officer
Lori Rappaport, PhD		Licensed Clinical Psychologist
Cynthia Robertson, MD	Quality and Compliance Committee Chair	Retired Physician
Brian Walsh		Vice President, Principal Business Relationship Manager Wells Fargo Business Banking
George Olmstead		Retired Attorney, Trusts and Estates
Michael McDuffie		CSUSM Associate Professor of Philosophy, Department Chair
Denise Logue	Workplace of Excellence Committee Chair	Senior Manager, HRIS, Compensation & Benefits
Tammy Morita		Director, Strategic Partnerships & Performance Management at UCSD
Sarah McSpadden		Chief Executive Officer The Elizabeth Hospice

PUBLIC DISCLOSURE COPY

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

2018**Open to Public Inspection**

A For the 2018 calendar year, or tax year beginning <u>07/01</u> , 2018, and ending <u>06/30</u> , 20 <u>19</u>	
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 <u>THE ELIZABETH HOSPICE, INC.</u>
	Doing business as
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>500 LA TERRAZA BLVD</u> <u>130</u>
	City or town, state or province, country, and ZIP or foreign postal code <u>ESCONDIDO, CA 92025-3876</u>
	F Name and address of principal officer: <u>JANET JONES</u> <u>SAME AS C ABOVE</u>
D Employer identification number <u>95-3275679</u>	
E Telephone number <u>(760) 737-2050</u>	
G Gross receipts \$ <u>46,145,326</u>	
H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
H(c) Group exemption number ▶	
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: ▶ <u>WWW.ELIZABETHHOSPICE.ORG</u>	
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: <u>1978</u>	
M State of legal domicile: <u>CA</u>	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>TO ENHANCE THE QUALITY OF LIFE FOR THOSE NEARING THE END OF LIFE'S JOURNEY AND FOR THOSE WHO GRIEVE THROUGH RESPONSIVE MEDICAL, EMOTIONAL, AND SPIRITUAL SUPPORT.</u>
	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 <u>14</u>
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4 <u>13</u>
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a) 5 <u>451</u>
	6 Total number of volunteers (estimate if necessary) 6 <u>499</u>
	7a Total unrelated business revenue from Part VIII, column (C), line 12 7a <u>0</u>
b Net unrelated business taxable income from Form 990-T, line 38 7b <u>0</u>	
Revenue	8 Contributions and grants (Part VIII, line 1h) <u>6,868,930</u>
	9 Program service revenue (Part VIII, line 2g) <u>37,157,470</u>
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) <u>656,339</u>
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <u>435,054</u>
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) <u>45,117,793</u>
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) <u>0</u>
	14 Benefits paid to or for members (Part IX, column (A), line 4) <u>0</u>
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) <u>29,497,438</u>
	16a Professional fundraising fees (Part IX, column (A), line 11e) <u>0</u>
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>882,194</u>
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) <u>10,873,253</u>
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) <u>40,370,691</u>
19 Revenue less expenses. Subtract line 18 from line 12 <u>4,747,102</u>	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) <u>27,614,759</u>
	21 Total liabilities (Part X, line 26) <u>4,317,710</u>
	22 Net assets or fund balances. Subtract line 21 from line 20 <u>23,297,049</u>

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			
	Type or print name and title <u>DEENA NELSON, SENIOR DIRECTOR OF FINANCE</u>				
Paid Preparer Use Only	Print/Type preparer's name <u>NICOLE BENCIK</u>	Preparer's signature <i>Nicole Bencik</i>	Date <u>11/4/2019</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P00756195</u>
	Firm's name ▶ <u>CROWE LLP</u>	Firm's EIN ▶ <u>35-0921680</u>			
	Firm's address ▶ <u>575 MARKET STREET, SUITE 3300, SAN FRANCISCO, CA 94105-5829</u>	Phone no. <u>(415) 576-1100</u>			

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2018)

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 ENHANCE THE QUALITY OF LIFE FOR THOSE NEARING THE END OF LIFE'S JOURNEY AND FOR THOSE WHO GRIEVE.

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 \$ 31,206,566 including grants of \$ 0) (Revenue \$ 37,429,345)

THE ELIZABETH HOSPICE IS A PIONEER IN THE HOSPICE MOVEMENT AND A TRUSTED HEALTHCARE RESOURCE PROVIDING CARE AND SUPPORT FOR THOSE FACING THE CHALLENGES BROUGHT ON BY ADVANCED SERIOUS ILLNESS. OUR SERVICES FOR BOTH PEDIATRIC AND ADULTS INCLUDE: HOSPICE CARE FOR THOSE WITH A PROGNOSIS OF SIX MONTHS OR LESS; PALLIATIVE CARE FOR THOSE LIVING WITH A CHRONIC ADVANCED SERIOUS ILLNESS WHO ARE NOT HOSPICE ELIGIBLE; AND, COMPREHENSIVE GRIEF SUPPORT FOR PATIENTS, FAMILY AS WELL AS THE GENERAL COMMUNITY. SINCE 1978, WE HAVE TOUCHED THE LIVES OF MORE THAN 100,000 PEOPLE IN SAN DIEGO COUNTY AND SOUTHWEST RIVERSIDE COUNTY. THE ELIZABETH HOSPICE IS AN INDEPENDENT, NONPROFIT ORGANIZATION THAT RELIES ON CHARITABLE CONTRIBUTIONS TO ENSURE THAT THESE SERVICES ARE AVAILABLE TO ALL WHO NEED THEM, REGARDLESS OF INSURANCE COVERAGE OR THEIR ABILITY TO PAY. ALL DONATIONS SUPPORT OUR LOCAL PROGRAMS AND SERVICES THAT ARE OPEN TO THE COMMUNITY.

4b (Code:) (Expenses \$ 464,079 including grants of \$ 0) (Revenue \$ 23,561)

THE ELIZABETH HOSPICE OFFERS COMPREHENSIVE GRIEF COUNSELING FOR ALL AGES. THESE SERVICES ARE OPEN TO ALL IN THE COMMUNITY REGARDLESS OF HOW THEIR LOVED ONE DIED. THEY DO NOT REQUIRE A PATIENT AFFILIATION TO ACCESS SERVICES. INDIVIDUAL COUNSELING AND GROUP SUPPORT ARE AVAILABLE AT OUR FACILITIES IN TEMECULA, MISSION VALLEY, CARLSBAD AND ESCONDIDO. SUPPORT GROUPS INCLUDE GENERAL GRIEF SUPPORT, SPOUSAL LOSS, CHILD LOSS, INFANT LOSS AND PARENT LOSS AS WELL AS A COMPREHENSIVE PROGRAM TO ADDRESS CHILDREN'S GRIEF. WE ALSO SERVE AS A RESOURCE FOR CRISIS INTERVENTION PROVIDING GRIEF SUPPORT FOR THOSE AFFECTED BY TRAUMATIC EVENTS IN THE COMMUNITY.

4c (Code:) (Expenses \$ 341,392 including grants of \$ 0) (Revenue \$ 0)

CHILDRENS GRIEF SUPPORT - OUR SPECIALIZED CHILDREN'S BEREAVEMENT PROGRAM IS UNIQUE IN SAN DIEGO COUNTY. IT IS COMPRISED OF FOUR COMPONENTS: INDIVIDUAL COUNSELING AND PEER GROUPS CONDUCTED AT OUR CHILDREN'S CENTERS; SCHOOL-BASED ON-CAMPUS 8-WEEK PEER GROUPS AND TRAINING FOR SCHOOL STAFF TO SUPPORT GRIEVING STUDENTS IN 20 LOCAL SCHOOL DISTRICTS; AND, TWO ANNUAL GRIEF CAMPS OPEN TO THE COMMUNITY. OUR COUNSELING PROFESSIONALS WORK WITH CHILDREN 3 TO 17 YEARS OLD AS WELL AS PROVIDING SUPPORT FOR THEIR CAREGIVERS.

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

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

4e Total program service expenses **32,012,037**

THE ELIZABETH HOSPICE, INC.
Escondido, California

FINANCIAL STATEMENTS
June 30, 2019 and 2018

THE ELIZABETH HOSPICE, INC.
Escondido, California

FINANCIAL STATEMENTS
June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Elizabeth Hospice, Inc.
Escondido, California

Report on the Financial Statements

We have audited the accompanying financial statements of The Elizabeth Hospice, Inc., which comprise the balance sheets as of June 30, 2019 and 2018, and the related statements of operations and changes in net assets 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.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Elizabeth Hospice, Inc. 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, The Elizabeth Hospice, Inc. has adopted ASU 2016-14 - *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. Our opinion is not modified with respect to this matter.

Crowe LLP
Crowe LLP

South Bend, Indiana
October 3, 2019

THE ELIZABETH HOSPICE, INC.
BALANCE SHEETS
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 598,372	\$ 1,643,420
Patient accounts receivable, net	4,459,744	4,446,909
Prepaid expenses and other	646,891	503,538
Note receivable	<u>15,376</u>	<u>-</u>
Total current assets	5,720,383	6,593,867
Property and equipment, net	3,223,111	3,422,569
Investments	<u>20,252,936</u>	<u>17,598,323</u>
	<u>\$ 29,196,430</u>	<u>\$ 27,614,759</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 1,047,010	\$ 598,070
Accrued expenses	<u>3,893,217</u>	<u>3,719,640</u>
Total current liabilities	4,940,227	4,317,710
Net assets		
Without donor restrictions		
Undesignated	8,079,100	9,013,652
Board designated	<u>8,530,559</u>	<u>6,436,350</u>
Total net assets without donor restrictions	16,609,659	15,450,002
With donor restrictions	<u>7,646,544</u>	<u>7,847,047</u>
Total net assets	<u>24,256,203</u>	<u>23,297,049</u>
	<u>\$ 29,196,430</u>	<u>\$ 27,614,759</u>

See accompanying notes to financial statements.

THE ELIZABETH HOSPICE, INC.
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net assets without donor restrictions		
Operating revenue		
Net patient service revenue	\$ 36,954,361	\$ 37,157,470
Contributions and fundraising	2,686,316	2,156,333
Special events	140,227	101,013
Interest and dividends, net of fees	128,181	145,342
Realized gains on investments	202,057	295,539
Other revenue	498,545	348,137
Net assets released from restriction	<u>559,890</u>	<u>189,678</u>
Total operating revenue	41,169,557	40,393,512
Operating expenses		
Direct patient care	19,931,527	21,475,636
Indirect patient care	9,750,234	9,396,151
Community outreach	2,330,272	1,671,276
Management and general	7,285,105	7,043,392
Fundraising	<u>882,194</u>	<u>735,836</u>
Total operating expenses	<u>40,179,332</u>	<u>40,322,291</u>
Change in net assets without donor restrictions from operations	990,225	71,221
Nonoperating revenues		
Unrealized gains on investments	<u>169,432</u>	<u>297,030</u>
Change in net assets without donor restrictions	1,159,657	368,251
Net assets with donor restrictions		
Contributions	5,000	4,712,597
Interest and dividends, net of fees	114,296	77,198
Net realized and unrealized gains on investments	240,091	188,089
Net assets released from restriction	<u>(559,890)</u>	<u>(189,678)</u>
Change in net assets with donor restrictions	<u>(200,503)</u>	<u>4,788,206</u>
Change in net assets	959,154	5,156,457
Net assets at beginning of year	<u>23,297,049</u>	<u>18,140,592</u>
Net assets at end of year	<u>\$ 24,256,203</u>	<u>\$ 23,297,049</u>

See accompanying notes to financial statements.

THE ELIZABETH HOSPICE, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 959,154	\$ 5,156,457
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	361,784	376,396
Loss on disposal of property and equipment	-	10,933
Provision for uncollectible accounts	128,027	71,663
Net realized and unrealized gains on investments	(611,580)	(780,658)
Restricted contributions	-	(4,447,998)
Changes in assets and liabilities		
Patient accounts receivable	(140,862)	(996,405)
Prepaid expenses and other	(143,353)	(85,292)
Accounts payable	448,940	(349,718)
Accrued expenses	173,577	1,239,031
Net cash from operating activities	<u>1,175,687</u>	<u>194,409</u>
Cash flows from investing activities		
Advances made to Elizabeth Supportive Medical Services	(35,000)	(80,000)
Repayments on advances to Elizabeth Supportive Medical Services	19,624	80,000
Purchase of property and equipment	(162,326)	(491,727)
Proceeds from sales of investments	5,423,386	12,135,512
Purchases of investments	<u>(7,466,419)</u>	<u>(18,090,562)</u>
Net cash from investing activities	(2,220,735)	(6,446,777)
Cash flows from financing activities		
Proceeds from borrowings on line of credit	22,459,869	6,200,000
Principal payments on line of credit	(22,459,869)	(6,200,000)
Proceeds from restricted contributions	-	4,447,998
Net cash from financing activities	<u>-</u>	<u>4,447,998</u>
Net change in cash and cash equivalents	(1,045,048)	(1,804,370)
Cash and cash equivalents at beginning of year	<u>1,643,420</u>	<u>3,447,790</u>
Cash and cash equivalents at end of year	<u>\$ 598,372</u>	<u>\$ 1,643,420</u>
Supplemental disclosures of cash flow information		
Cash paid for interest during the year	\$ 48,646	\$ 4,586

See accompanying notes to financial statements.

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization: The Elizabeth Hospice, Inc. (the "Organization") is organized under the charitable public benefit nonprofit corporate laws of the state of California. The Organization's primary purposes are to provide end-of-life care services to terminally ill patients, contribute to the sense of well-being of terminally ill patients and their families, and to train professionals and volunteers in the hospice concept. Effective April 12, 2019, California Hospice Network was formed to become the parent holding company for the Organization, Hospice of Santa Cruz County, and Mission Hospice & Home Care to commit to sustaining local, nonprofit, community-based hospice care throughout California. As of June 30, 2019, the process of California Hospice Network to become the parent of the Organization, Hospice of Santa Cruz County, and Mission Hospice & Home Care is still ongoing, and thus any accounting implications are not reflected in these financial statements.

Since August 2017, through a management service agreement (MSA), the Organization partners with Elizabeth Supportive Medical Services ("ESMS"), an aligned physician medical group, that allows for expansion of reimbursable services provided by the Organization. Revenue from this agreement for the years ended June 30, 2019 and 2018 was \$159,118 and \$256,028, respectively, and is included in other revenue in the statements of operations and changes in net assets. As part of the agreement, the Organization provides a line of credit to ESMS with an available principal amount of up to \$750,000, with interest at the current prime rate and secured by the assets of ESMS. The line of credit expires in July 2027. ESMS had borrowings outstanding on the line of credit at June 30, 2019 of \$15,376. ESMS had no borrowings outstanding on the line of credit at June 30, 2018.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP 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 period. Actual results could differ from those estimates.

Financial Statement Presentation: The financial statements report the changes in and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as without donor restrictions or with donor restrictions and are detailed as follows:

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. Net assets without donor restrictions are comprised of Board designated and undesignated amounts. As of June 30, 2019 and 2018, board designated net assets consist of \$8,530,559 and \$6,436,350, respectively, designated for an endowment created during the year ended June 30, 2017.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature and will be met by the passage of time or the actions of the Organization. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2019 and 2018, purpose or time restricted net assets consisted of donor restricted funds designated for various programs and unspent endowment earnings.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000. Additionally, for purposes of the statements of cash flows, the Organization considers all highly liquid investments of operating cash purchased with an original maturity of three months or less to be cash equivalents.

Patient Accounts Receivable: The patient accounts receivable balance represents the unpaid amounts billed to patients and third-party payors. Contractual adjustments, discounts, and an allowance for uncollectible accounts are recorded to report receivables for patient care services at their net realizable value. Past due receivables are determined based on contractual terms. The Organization does not accrue interest on any of its accounts receivables.

Allowance for Uncollectible Accounts: The allowance for uncollectible accounts is determined by management based upon the Organization's historical losses, specific patient circumstances, and general economic conditions. Periodically, management reviews patient accounts receivable and records an allowance based on current circumstances, and charges off the receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with the internal collection policy. Management believes the allowances of approximately \$278,316 and \$270,678 as of June 30, 2019 and 2018, respectively, are adequate to cover potential losses from uncollectible accounts.

Investments: All investments are valued at their fair values in the balance sheets. Unrealized gains and losses are included in the change in net assets. See Note 4 for additional information on the nature of the Organization's investments.

Property and Equipment: Property and equipment are stated at cost or, if donated to the Organization, at their fair value on the date of the gift. Additions and improvements over \$2,000 are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is computed over the estimated useful lives of the various classes of assets using the straight-line method.

Gifts of long-lived assets such as land, buildings, and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Impairment of Long-Lived Assets: On an ongoing basis, the Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Organization recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2019 and 2018, management believes that no assets were impaired.

Net Patient Service Revenue: Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. For the years ended June 30, 2019 and 2018, approximately 96% and 97%, respectively, of the Organization's net patient service revenue was derived from the Medicare and Medicaid programs.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions for estimated third-party payor settlements have been made in the financial statements for estimated contractual adjustments, representing the difference between the standard charges for services and estimated total payments to be received from third-party payors. These estimates are adjusted in future periods as final settlements are determined.

The Organization, like other health care providers, may be subject to investigations, regulatory action, lawsuits, and claims arising out of the conduct of its business, including the interpretation of laws and regulations governing the Medicare and Medicaid programs and other third-party payor agreements. Management intends to fully cooperate with any governmental agencies in requests for information. Noncompliance with laws and regulations can make the Organization subject to regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Hospice organizations are subject to two specific payment limit caps under the Medicare program. One limit relates to inpatient care days that exceed 20% of the total days of hospice care provided for the year. The second limit relates to an aggregate Medicare reimbursement cap amount. The Organization did not exceed either of the Medicare cap limitations for the years ended June 30, 2019 and 2018.

Charity Care: The Organization determines each patient's ability to pay during the admission process. When a patient meets certain criteria, part or all of the patient's charges are deemed charity care and are not billed for collection. Because the Organization does not pursue collection of amounts determined to qualify as charity care, those amounts are excluded from net patient service revenue. The cost of charity care provided was approximately \$362,000 and \$375,000 for the years ended June 30, 2019 and 2018, respectively. This cost estimate was based on the Organization-wide cost to charge ratio.

Contributions: Contributions received and unconditional promises to give are recorded as revenue without donor restrictions or revenue with donor restrictions depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

When a donor 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 statements of operations and changes in net assets as net assets released from restriction.

If a restriction is fulfilled in the same accounting period in which the contribution is received, the contribution is reported as without donor restrictions.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of operations and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Change in Net Assets Without Donor Restrictions from Operations: The statements of operations and changes in net assets include changes in net assets without donor restrictions from operations. Changes in net assets without donor restrictions which are excluded from changes in net assets without donor restrictions from operations, consistent with industry practice, include unrealized gains on investments.

Income Taxes: The Organization is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

U.S. GAAP requires that a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Organization's Form 990 has not been subject to examination by the Internal Revenue Service or the state of California for the last three years. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense. The Organization did not have any amounts accrued for interest and penalties at June 30, 2019 and 2018.

Recently Adopted Accounting Pronouncement: In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities* (ASU). 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. The Organization has adopted the ASU and has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, except for the liquidity disclosure, as permitted.

Reclassifications: Certain reclassifications have been made to present last year's financial statements on a basis comparable to the current year's financial statements. These reclassifications had no effect on total net assets or the change in net assets.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2019 to determine the need for any adjustments to and/or disclosures within the financial statements for the year ended June 30, 2019. Management performed their analysis through October 3, 2019, which is the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2019</u>
Cash and cash equivalents	\$ 598,372
Patient accounts receivable, net	4,459,744
Note receivable	15,376
Investments	<u>20,252,936</u>
	25,326,428
Less net assets with donor restrictions	<u>(7,646,544)</u>
	<u>\$ 17,679,884</u>

As part of the Organization's liquidity management plan, management invests cash in excess of daily requirements in short-term investments, treasury sweeps, and money market instruments. In addition to cash on hand, the Organization has two lines of credit available in the amount of \$2,500,000 and \$1,000,000; the latter secured by unrestricted investments.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 2 - LIQUIDITY AND AVAILABILITY (Continued)

The Organization also manages a pool of funds invested in the public securities markets. Management of these funds are governed by the Organization's Investment Policy Statement. The Board of Directors has delegated authority to supervise these investments to the Finance Committee. The Organization's primary objective is to preserve and protect its assets by earning a total return for each category of assets (a "Fund"), which is appropriate for each Fund's time horizon, distribution requirements, and risk tolerance. The Organization currently maintains the following funds:

Intermediate Fund
Long Term Fund
Endowment Fund
Board Directed Endowment
Anonymous Endowment

The Intermediate and Long Term Fund are unrestricted and have a value of \$4,203,833 as of June 30, 2019. The Endowment Fund, Board Directed Endowment, and Anonymous Endowment are Board designated and donor restricted with a value of \$16,049,103 as of June 30, 2019.

NOTE 3 - PATIENT ACCOUNTS RECEIVABLE

Receivables from patients and third-party payors for the years ended June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Medicare	\$ 3,090,430	\$ 3,264,317
Medicaid	1,202,007	1,115,118
Commercial and other	<u>445,623</u>	<u>338,152</u>
	4,738,060	4,717,587
Less allowance for uncollectible accounts	<u>(278,316)</u>	<u>(270,678)</u>
	<u>\$ 4,459,744</u>	<u>\$ 4,446,909</u>

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in an Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date. The fair values of money market funds, common stocks, exchange traded funds, mutual funds, and hedge funds that are readily marketable are determined by obtaining quoted prices from nationally recognized securities exchanges.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS
(Continued)

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; or other inputs that are observable or can be corroborated by observable market data. The Organization had no investments measured using Level 2 inputs at June 30, 2019 and 2018.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. The Organization had no investments measured using Level 3 inputs at June 30, 2019 and 2018.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Assets measured at fair value on a recurring basis are summarized below:

Fair Value Measurements at June 30, 2019				
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 1,139,537	\$ -	\$ -	\$ 1,139,537
Common stocks	3,593,073	-	-	3,593,073
Exchange traded funds	7,484,452	-	-	7,484,452
Equity mutual funds	1,404,286	-	-	1,404,286
Fixed income mutual funds	5,725,468	-	-	5,725,468
Hedge funds	906,120	-	-	906,120
Total investments	<u>\$ 20,252,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,252,936</u>

Fair Value Measurements at June 30, 2018				
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 1,039,683	\$ -	\$ -	\$ 1,039,683
Common stocks	2,775,834	-	-	2,775,834
Exchange traded funds	6,696,120	-	-	6,696,120
Equity mutual funds	1,759,351	-	-	1,759,351
Fixed income mutual funds	4,446,152	-	-	4,446,152
Hedge funds	881,183	-	-	881,183
Total investments	<u>\$ 17,598,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,598,323</u>

The following schedule summarizes return on investments for the years ended June 30:

	2019	2018
Interest and dividends, net of fees	\$ 242,457	\$ 222,540
Realized gains on investments	<u>268,799</u>	<u>371,303</u>
	511,256	593,843
Unrealized gains on investments	<u>342,781</u>	<u>409,355</u>
	<u>\$ 854,037</u>	<u>\$ 1,003,198</u>

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS
(Continued)

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would result in material changes in the fair value of investments and net assets of the Organization.

NOTE 5 - PROPERTY AND EQUIPMENT

The Organization's property and equipment and the related accumulated depreciation at June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 879,235	\$ 879,235
Buildings	2,933,434	2,861,960
Office equipment	1,350,402	1,754,686
Furniture and fixtures	<u>557,898</u>	<u>555,477</u>
	5,720,969	6,051,358
Less accumulated depreciation	<u>(2,497,858)</u>	<u>(2,628,789)</u>
	<u>\$ 3,223,111</u>	<u>\$ 3,422,569</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$361,784 and \$376,396, respectively.

NOTE 6 - LINES OF CREDIT

The Organization maintained a \$1,500,000 line of credit with a financial institution bearing interest at the prime rate plus 1% (5% as of June 30, 2018). The line of credit was secured by cash, investments, and other assets of the Organization and expired in December 2018. The Organization had no borrowings outstanding on the line of credit at June 30, 2018.

The Organization maintains a \$1,000,000 line of credit with a financial institution bearing interest at LIBOR plus 1.75% (4.12% and 3.84% as of June 30, 2019 and 2018, respectively). The line of credit is secured by cash, investments, and other assets of the Organization and expires in May 2021. The Organization had no borrowings outstanding on the line of credit at June 30, 2019 or 2018.

In November 2018 the Organization obtained a \$2,500,000 line of credit with a financial institution bearing interest at LIBOR plus 2.50% (4.87% as of June 30, 2019). The line of credit is secured by equipment and fixtures, inventory, and receivables of the Organization and expires in December 2019. The Organization had no borrowings outstanding on the line of credit at June 30, 2019.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets that are donor restricted at June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Time or purpose		
Unappropriated endowment earnings	\$ 490,219	\$ 512,893
Staff education	120,000	120,000
Other	<u>8,000</u>	<u>185,829</u>
	618,219	818,722
Perpetually restricted		
Endowments for education	1,700,000	1,700,000
Endowments for charity care	1,804,000	1,804,000
Endowments for hospice and palliative care	2,643,998	2,643,998
Endowments for undesignated purposes	<u>880,327</u>	<u>880,327</u>
	<u>7,028,325</u>	<u>7,028,325</u>
	<u>\$ 7,646,544</u>	<u>\$ 7,847,047</u>

Net assets with donor restrictions were released from restriction for the years ended June 30 for the following purposes:

	<u>2019</u>	<u>2018</u>
Building fund - Canterbury	\$ -	\$ 30,109
Unappropriated endowment earnings	377,061	92,211
Other	<u>182,829</u>	<u>67,358</u>
	<u>\$ 559,890</u>	<u>\$ 189,678</u>

NOTE 8 - ENDOWMENT ASSETS

Overview: The Organization's endowments consist of various investment securities, most of which are traded on public markets. The endowments are made up of board designated, purpose or time restricted, and perpetually restricted assets. As required by U.S. GAAP, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 8 - ENDOWMENT ASSETS (Continued)

Interpretation of Relevant Law: The Organization's Board of Directors has determined the requirements of California's version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") to center around the preservation of the fair value of the original investment as of the date of the asset transfer. The investments resulting from donations directing that they be invested in perpetuity are classified as perpetually restricted. The earnings generated by these investments are classified as purpose or time restricted. The purpose or time restricted earnings are reclassified as without donor restrictions upon their appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by California's version of UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate its endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and 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
- (7) The investment policies of the Organization

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide funding for operating expenses of programs supported by its endowments, while maintaining the original corpus of the endowments. In order to meet this objective, the endowment asset portfolio is structured to achieve a compound annual return, net of investment management expenses, of 4% to 6% for the Intermediate Fund portfolio and 6% to 8% for the Long-Term, Endowment, and Board Directed funds. Risk parameters are set so that reasonable volatility, including larger potential fluctuations of principal, will be tolerated over the investment horizon, in as much as it is consistent with the volatility of a comparable market index. Endowment assets include assets of donor-restricted funds that the Organization must hold in perpetuity and assets of the Organization that the Board of Directors has designated for endowment purposes.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a broadly diversified portfolio to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Organization disburses funds as needed within the guidelines of the endowments. Over the long-term, the Organization expects the current spending policy to allow its endowment to grow at the average annual rate of inflation over ten years. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Fund with Deficiencies: A donor-restricted endowment fund is considered to be underwater if the fair value of the fund is less than the original gift amount or the amount required to be maintained by the donor or by law. At times, the Organization may have individual donor-restricted endowment funds that are underwater. The Organization has a policy that permits spending from underwater funds depending on the degree to which the fund is underwater, unless specifically prohibited by the donor or relevant laws and regulations. There were no such deficiencies as of June 30, 2019 and 2018.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 8 - ENDOWMENT ASSETS (Continued)

Change in Endowment Net Assets: The Organization's change in endowment assets, by net asset composition, for the years ended June 30 is as follows:

2019:

	<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>	
	<u>Board Designated</u>		<u>Accumulated Earnings</u>	<u>Original Gift</u>
				<u>Total</u>
Beginning balance	\$ 6,436,350	\$ 512,893	\$ 7,028,325	\$ 13,977,568
Interest and dividends, net of fees	107,632	114,296	-	221,928
Net realized and unrealized gains	240,079	240,091	-	480,170
Additions	1,746,498	-	-	1,746,498
Appropriations for expenditure	-	(377,061)	-	(377,061)
Total endowment	<u>\$ 8,530,559</u>	<u>\$ 490,219</u>	<u>\$ 7,028,325</u>	<u>\$ 16,049,103</u>

2018:

	<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>	
	<u>Board Designated</u>		<u>Accumulated Earnings</u>	<u>Original Gift</u>
				<u>Total</u>
Beginning balance	\$ 4,663,087	\$ 339,817	\$ 2,580,327	\$ 7,583,231
Interest and dividends, net of fees	85,269	77,198	-	162,467
Net realized and unrealized gains	390,617	188,089	-	578,706
Additions	1,297,377	-	4,447,998	5,745,375
Appropriations for expenditure	-	(92,211)	-	(92,211)
Total endowment	<u>\$ 6,436,350</u>	<u>\$ 512,893</u>	<u>\$ 7,028,325</u>	<u>\$ 13,977,568</u>

NOTE 9 - OPERATING LEASE COMMITMENTS

The Organization has various operating leases for office spaces and vehicles that expire on various dates through October 2023. Total rent expense amounted to \$1,236,619 and \$1,227,389 for the years ended June 30, 2019 and 2018, respectively. Future minimum lease commitments are as follows:

2020	\$ 1,216,659
2021	1,251,652
2022	1,197,308
2023	771,368
2024	59,487
	<u>\$ 4,496,474</u>

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 10 - FUNCTIONAL EXPENSES

Expenses categorized by their functional classification for the years ended June 30 are as follows:

For the year ended June 30, 2019

	<u>Direct patient care</u>	<u>Indirect patient care</u>	<u>Community outreach</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting fees	\$ -	\$ -	\$ -	\$ 47,414	\$ -	\$ 47,414
Advertising and promo	-	623	54,908	75,316	39,008	169,855
Bad debt	128,027	-	-	-	-	128,027
Benefits	772,481	207,656	66,450	157,819	24,919	1,229,325
Conferences, meetings	680	41,167	107,497	113,308	25,800	288,452
Depreciation	207,876	80,294	17,896	35,979	19,739	361,784
DME	1,360,798	-	-	-	-	1,360,798
Drugs	1,064,977	-	-	-	-	1,064,977
Facility related	1,022,236	394,848	88,006	176,926	97,066	1,779,082
Fee for service other	894,012	344,383	302,180	568,512	240	2,109,327
Information technology	308,461	103,021	26,534	133,797	28,716	600,529
Inpatient services	42,124	-	-	-	-	42,124
Insurance	-	908	-	210,901	-	211,809
Legal expenses	-	67,604	-	140,076	5,384	213,064
Medical supplies	799,886	1,664	78	-	-	801,628
Office expenses	96,359	50,110	24,338	100,315	13,214	284,336
Other employee benefits	1,265,029	685,450	188,877	421,599	47,118	2,608,073
Other expenses	5,893	2,436	531	17,043	3,500	29,403
Other patient expenses	197,147	-	-	-	722	197,869
Other salaries and wages	10,162,665	7,037,616	1,296,675	4,491,709	523,611	23,512,276
Payroll processing fees	-	-	-	60,783	-	60,783
Payroll taxes	749,555	506,828	93,883	302,531	37,786	1,690,583
Pension plan accruals	189,932	136,442	25,761	89,588	12,300	454,023
Transportation	42,929	-	-	-	-	42,929
Travel expenses	<u>620,460</u>	<u>89,184</u>	<u>36,658</u>	<u>141,489</u>	<u>3,071</u>	<u>890,862</u>
	<u>\$19,931,527</u>	<u>\$ 9,750,234</u>	<u>\$ 2,330,272</u>	<u>\$ 7,285,105</u>	<u>\$ 882,194</u>	<u>\$40,179,332</u>

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 10 - FUNCTIONAL EXPENSES (Continued)

For the year ended June 30, 2018

	<u>Direct patient care</u>	<u>Indirect patient care</u>	<u>Community outreach</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting fees	\$ -	\$ -	\$ -	\$ 49,485	\$ -	\$ 49,485
Advertising and promo	-	134	22,673	114,393	7,401	144,601
Bad debt	71,663	-	-	-	-	71,663
Benefits	461,495	204,268	45,393	156,354	15,131	882,641
Conferences, meetings	-	75,370	34,611	143,405	29,047	282,433
Depreciation	218,778	87,933	19,599	39,402	21,617	387,329
DME	1,187,868	-	-	-	-	1,187,868
Drugs	1,101,425	-	-	-	-	1,101,425
Facility related	939,851	377,754	84,196	169,266	92,863	1,663,930
Fee for service other	728,983	1,011,583	368,876	189,976	-	2,299,418
Information technology	237,577	124,675	42,596	193,006	26,397	624,251
Inpatient services	72,326	-	-	-	-	72,326
Insurance	-	242	-	179,977	-	180,219
Legal expenses	-	13,023	3,286	190,062	14,536	220,907
Medical supplies	789,562	8,306	69	-	-	797,937
Office expenses	133,688	35,379	22,955	195,903	16,357	404,282
Other employee benefits	1,423,065	731,489	115,161	491,783	27,841	2,789,339
Other expenses	8,731	17,346	3,156	60,906	530	90,669
Other patient expenses	197,646	-	-	-	1,150	198,796
Other salaries and wages	12,041,130	6,078,896	808,757	4,308,626	439,352	23,676,761
Payroll processing fees	-	-	-	59,397	-	59,397
Payroll taxes	885,542	434,583	59,158	284,389	31,815	1,695,487
Pension plan accruals	235,184	118,838	13,868	76,209	9,112	453,211
Transportation	50,699	-	-	-	-	50,699
Travel expenses	690,423	76,332	26,922	140,853	2,687	937,217
	<u>\$21,475,636</u>	<u>\$ 9,396,151</u>	<u>\$ 1,671,276</u>	<u>\$ 7,043,392</u>	<u>\$ 735,836</u>	<u>\$40,322,291</u>

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facility related and depreciation which are allocated on a square-footage basis, as well as benefits and information technology which are allocated on a number of employees basis.

(Continued)

THE ELIZABETH HOSPICE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 11 - RETIREMENT PLAN

The Organization maintains a qualified deferred compensation 401(k) plan for full time employees over age 21 that have completed one month of service. Under the plan, employees may elect to defer up to a percentage of pretax annual compensation, subject to the Internal Revenue Service limits. The Organization matches 50% of the participant's contribution to the Plan, not to exceed six percent of the participant's gross compensation. The Organization contributed \$454,023 and \$502,372 for the years ended June 30, 2019 and 2018, respectively.



IMPACT REPORT | 2018-2019



The Elizabeth Hospice
Leading. Human. Kind.

YEAR IN REVIEW

2018-2019


2,907 
patients received
hospice care

657 
patients
received
palliative care

417 
veterans
were honored at
pinning ceremonies

673 
children participated
in school-based
and after-school
bereavement
support groups

214 
children
and teens attended
summer grief camp

350 
children and
adults received crisis
intervention support
after community
tragedies

351 
stuffed bears
and pillows were
created as precious
keepsakes for
bereaved families

356 
volunteers
dedicated **12,437**
hours of their time to
our community

762 
adults
engaged in individual
counseling sessions
or bereavement
support groups

Cover photo:
Clover and Bella
(Story on page 8)



Dear Friends,

The Elizabeth Hospice aspires to a world in which every life ends with compassion, dignity and peace.

Since 1978, it has been our honor to provide medical, emotional and spiritual support to children and adults facing the challenges associated with an advanced life-limiting illness and to offer counsel and comfort to those who are grieving. Our dedication to delivering high quality care has earned us a reputation as a trusted resource for hospice care, palliative care and grief support in San Diego County and Southwest Riverside County.

I'm excited to share some of our many accomplishments from the past year:

- The Elizabeth Hospice was recognized by the Department of Veterans Affairs and the National Hospice and Palliative Care Organization as a We Honor Veterans Level 5 Partner. We are the only hospice organization in Southern California to have achieved this level of distinction.
- The Joint Commission, an independent organization that certifies and accredits healthcare institutions across the U.S., awarded our palliative care program with their Gold Seal of Approval®. This award demonstrates our commitment to quality and dedication to excellence.
- We provided grief support to 1,093 children and teens through our Children's Bereavement Program, an increase of 102% vs. the prior year. Among the enhancements to our offering was the introduction of an alumni camp for grieving children.

On behalf of our Board of Directors and staff, I want to thank you for your generosity and support. Your investment in The Elizabeth Hospice enables us to provide an array of services to children and adults living with a serious illness as well as grief support to those who are feeling lost and alone. We could not do this vital work without you.

With gratitude,

A handwritten signature in cursive script that reads "Jan Jones". The ink is dark and the signature is fluid.

Jan Jones, RN, BSN
Chief Executive Officer

P.S. Many thanks to our patients and their families, our clients, volunteers and donors who allowed us to share their photos and stories in this Impact Report.



HOSPICE CARE

Since 1978, The Elizabeth Hospice has been at the forefront of hospice care in San Diego County and Southwest Riverside County. With skill, compassion and kindness, our services go beyond answering questions and providing resources. We become our patients' trusted companion and customize the care experience to meet their unique needs and wants.

BIANCA, DANNY, AVA AND BABY ARI

Ari was born with a rare genetic disease and was not expected to survive her first day of life. She didn't want to eat; she couldn't swallow. At three weeks of age, Ari's parents, Bianca and Danny, brought her home from the hospital, planning to spend the short time that they would have together as a family.

Ever since Ari left the hospital, The Elizabeth Hospice has been caring for her and her family. Our Pediatric Team works in concert with Ari's pediatrician and specialists to relieve her symptoms and manage her pain. Through education and support programs, we provide Bianca and Danny with the tools to confidently care for their child at home.

The services provided by The Elizabeth Hospice go beyond medical care to providing emotional support for the entire family through programs like music therapy.

"Music therapy is designed to address a patient's physical, emotional, cognitive and social needs," said Michelle Goldbach, Director of Pediatric and Palliative Care for The Elizabeth Hospice. "Ari may lack the muscle strength to sit up by herself but she can respond to music."

One of the other benefits of these music therapy sessions is that they are an activity that the family can enjoy together. Ari's big sister, Ava, helps her shake a tiny maraca, pull on colorful ribbons and reach over her head to grab the tambourine.

"The care that our family receives from The Elizabeth Hospice is amazing," said Bianca. "Everyone is so kind and it's comforting to know that we have their support."

Ari has come a long way over the past eight months. At first it was hard for her to remain awake during the music therapy session. Now she squeals with laughter when she hears the music, kicks her feet and reaches out to touch the instruments. Music therapy is helping her increase her strength, mobility and motor skills.

FRANK AND SUE

Frank and Sue had the type of relationship most people only dream about. They connected on every level and shared the same dreams and goals. “We showed up for each other and had each other’s back,” said Frank. “All of these things caused our souls to become intertwined.”

When Sue received the diagnosis of brain cancer, Frank accompanied her on the roller coaster ride of emotions, hoping for the type of brain tumor that was treatable but ultimately learning that Sue’s prognosis was terminal. He engaged The Elizabeth Hospice for end-of-life care.

After Sue’s passing, the things that Frank loved—cooking, playing the guitar, listening to music, watching the sunset—became difficult for him to enjoy. “I was stuck. My inner clock stopped working while the whole world’s clock kept ticking,” he said.

Frank sought grief counseling from The Elizabeth Hospice. When it was determined that there were obstacles preventing the natural grieving process to progress, Frank began a comprehensive counseling program for complicated grief.

“Losing a spouse is life-changing,” said Liane Fry, Clinical Counseling Program Supervisor for The Elizabeth Hospice. “For some, the feelings of loss are debilitating and even with time there is little adaptation to the loss. This is known as ‘complicated grief,’ and we can provide a specific treatment to resolve this.”

In addition to individual counseling sessions, Frank began attending a spousal support group with The Elizabeth Hospice. “I’m surrounded by others who understand what I’m feeling and I never fail to learn from them. For me, group is a life boat, a place for travelers who are waiting to get back to a life filled with meaning and purpose.”

Frank is now focused on appreciating the 50 years that he had with Sue instead of being constantly consumed with the sadness of losing her.

“Little by little, I am becoming unstuck,” continued Frank. “Along with the love and support of my family and friends, I credit my counselor and The Elizabeth Hospice with saving my life.”



GRIEF SUPPORT FOR ADULTS

Recognizing that everyone processes grief in their own way, we offer a range of techniques and tools. These include experiential therapy, traditional talk therapy and support groups. We also specialize in treating people whose painful emotions are so long-lasting that they have difficulty recovering from the loss and resuming their own life.



GRIEF SUPPORT FOR CHILDREN AND TEENS

The Elizabeth Hospice has the most comprehensive program in San Diego County and Southwest Riverside County for grieving children and teens. Our services, which are open to everyone in the community, include: on-campus grief support groups in 20 school districts, peer grief support groups in our Children's Bereavement Centers in Escondido and Mission Valley, summer grief camps, grief education for school professionals, and one-on-one counseling.

BELLA

“My brother Paul always made me feel like I was on the top of the world,” said Bella. “He saw my potential. He wanted me to be the best person, the best Bella, I could be.”

After Paul died at the age of 15 from a seizure, Bella showed no emotion. She didn’t cry. She was numb.

Bella’s mother, Clover, reached out to The Elizabeth Hospice for help. She enrolled Bella in our summer grief camp which combines grief-related activities with traditional camp fun. At camp, children and teens honor and memorialize the death of their significant person while making friends with others who are facing similar circumstances. Camp Spero is open to all grieving children (ages 7 to 17) in the community and is offered free of charge.

“My favorite part about camp was the ceremony at the lake,” said Bella. “There was music playing and we were all crying. But it was a good cry. I was in this community of people who were vulnerable but strong because we were together. That felt like magic.”

After camp, Bella joined the Teen Grief Support Group offered by The Elizabeth Hospice. “We talk about our life. We talk about all aspects of grief. We go off each other’s thoughts and give each other advice.”

“There are some parts about grief that are bad and some that are even worse. We get into those deeper parts. It’s great to be in a space with people who are going through the same thing that you are.”

Before attending camp and group, Bella couldn’t talk about the day she found out that Paul had passed. “I pretended it never happened,” said Bella. “Now I can share the story. I look back at it as a memory, not a nightmare.”

“I feel grief changed me in a way that nothing could ever have changed me,” Bella continued. “Yes, grief is terrible, traumatizing and heartbreaking. But it made me stronger. I think Paul would be very proud of me.”

LILY, CAROL AND NANCY

Like a queen taking her place on a throne, Lily carefully settles herself onto Carol's lap, just the perfect distance from Carol's hand. Without pause, Carol begins petting this beautiful long-haired feline between the ears with soft, continuous strokes. Lily lies there quietly, gazing at Carol. Content and relaxed, you can feel their special connection.

Health issues prevent Carol, a patient with The Elizabeth Hospice, from having her own pets but that hasn't diminished her desire for their companionship. She has been a cat lover since childhood. The neighborhood cats knew to make their way to her family's house where they received food and attention.

When Lupita, the social worker on Carol's care team, learned that Carol is a cat lover, she asked Carol if she'd like to meet Lily, a certified pet therapy cat, and Nancy, her human companion, who volunteer with The Elizabeth Hospice. Carol's response was an enthusiastic "Yes."

"Lily is a treasure," said Carol. "Her calico striping, amber eyes and soft white coat make her a magnificent creature. She's majestic and so sweet. It's such a treat when she comes by for a visit."

"Lily loves Carol," said Nancy. "She almost jumps out of the van when we pull up at the residential facility where Carol lives. If I were to let loose of her leash, Lily would go directly to Carol's front door."

"Cats are very much in demand," added Nancy, who has been volunteering with The Elizabeth Hospice for several years. "I wish more people would have their cats certified as therapy pets. They bring comfort to patients and provide a 'fur fix.'"

The Pet Therapy Program is one of many free services offered by The Elizabeth Hospice. These programs are made possible by volunteers who generously donate their time and talent to caring for members of our community.



VOLUNTEERS

Volunteers play an important role in our nonprofit organization. Whether interacting directly with patients, creating special keepsakes for grieving families, or advocating in the community as ambassadors of our work, their acts of kindness can profoundly impact the lives of our patients and those who love them.



GIVING

As a 501(c)(3) nonprofit organization, The Elizabeth Hospice provides medical, emotional and spiritual support to patients and their families dealing with the challenges associated with a life-limiting illness, and offers comfort and counsel to those who are grieving, regardless of their ability to pay for services. We could not do this important work without the support of generous individuals like you.

DR. NICHOLAS TSOULOS

Dr. Nicholas Tsoulos, pediatrician, neonatologist and long-time resident of North San Diego County, remembers meeting Elizabeth (Betty) Bulen and her three wise and compassionate colleagues (all named Elizabeth) who established the organization. “These were fine women, committed to caring for the terminally ill and their families. They had high ideals and devoted themselves to doing important work for the people in their community,” said Dr. Tsoulos.

“Four decades later, the organization has stayed true to its founders’ mission and has earned a reputation as a quality hospice with caring at its base,” he continued.

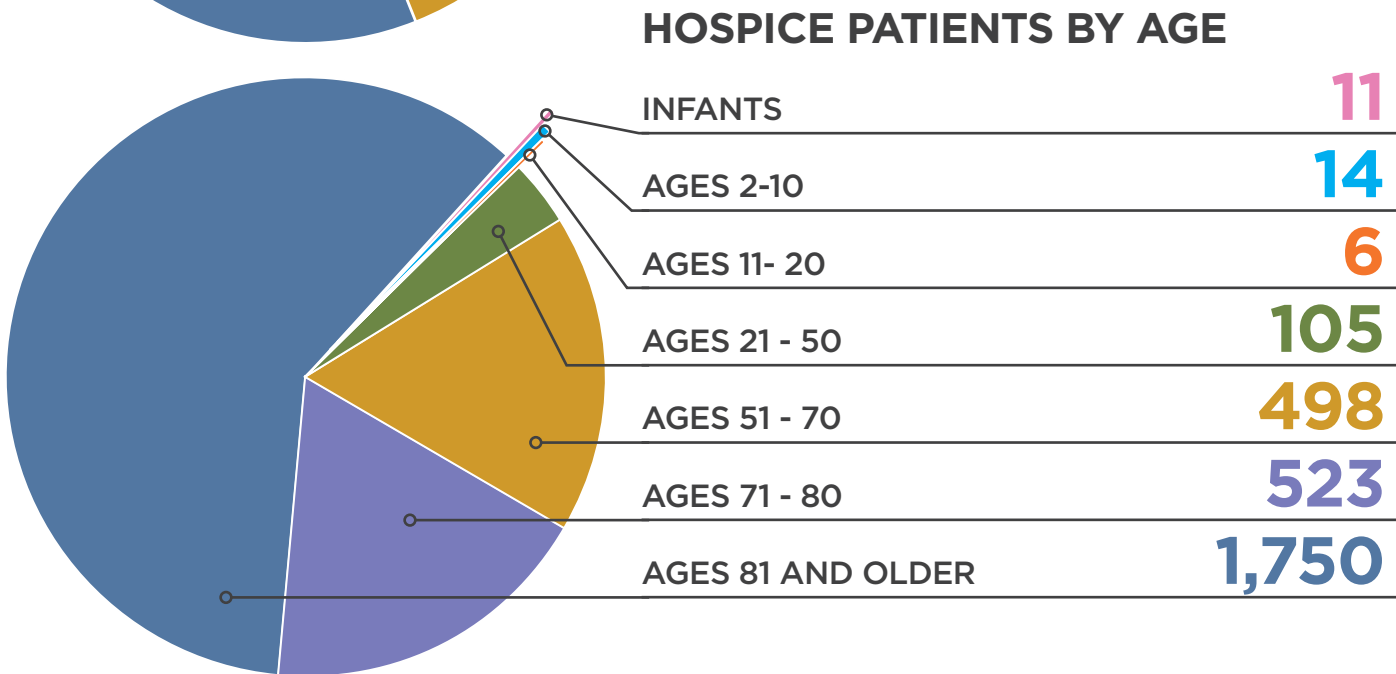
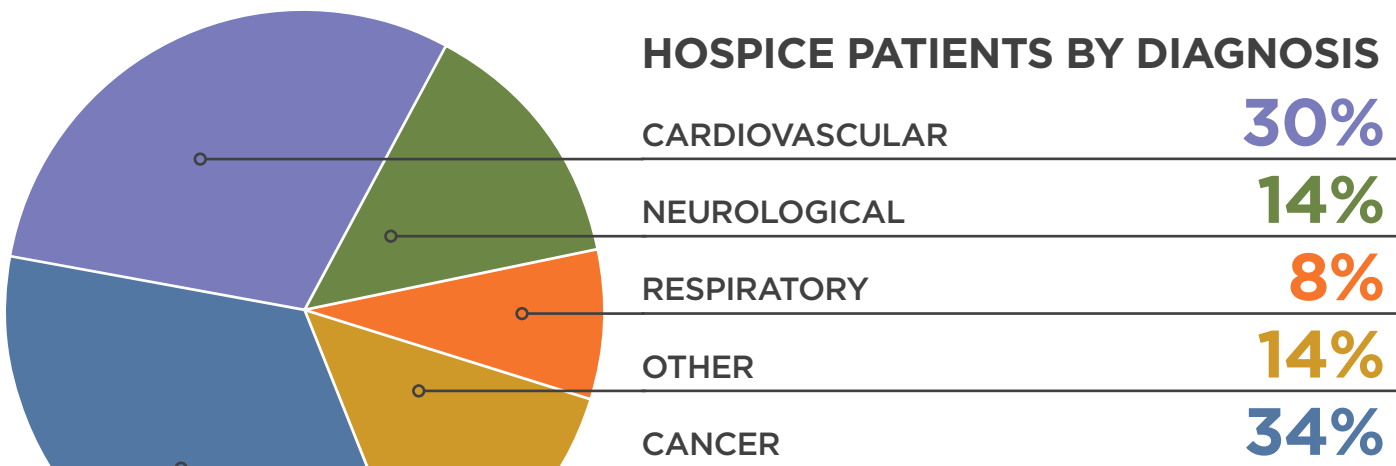
Dr. Tsoulos began donating to The Elizabeth Hospice early in its development. His relationship with the organization deepened when his mother, Katherine, experienced significant health issues at the age of 96. He had been overseeing his mother’s medical care for years—accompanying her to doctor visits, answering her questions and providing advice. But when she was at the end of her life, he felt the need for additional support so he turned to The Elizabeth Hospice.

“Mom wanted to spend her final days at home with family, rather than in the hospital. We contacted The Elizabeth Hospice and they made all the arrangements, began their care in the hospital and seamlessly coordinated care with the hospital’s medical team,” said Dr. Tsoulos. Within hours, the equipment was ordered and everything was in place at her home. Over the next few days, the care team focused on making Katherine comfortable and answering the family’s questions.

“Even though I’m in the medical field, I’m not an expert in end-of-life care. I found it very reassuring and comforting to have The Elizabeth Hospice with us by my mother’s side. Hospice allowed our family to spend the precious time we had left celebrating life and sharing beautiful memories.”

Dr. Tsoulos believes in giving back to his community especially to organizations that have touched his and others’ lives in a personal way. “I’m proud to support The Elizabeth Hospice because of the high-quality work they do and for helping me fulfill my remarkable mother’s wish to be surrounded by family and friends at the end of her life.”

INDIVIDUALS SERVED



FINANCIALS 2018-2019

INCOME

PATIENT SERVICES	\$36,954,361
COMMUNITY SUPPORT & EVENTS	\$2,831,543
INVESTMENT INCOME	\$854,037
OTHER	\$498,545
TOTAL INCOME	\$41,138,486

EXPENSES

DIRECT PATIENT CARE	\$19,931,527
INDIRECT PATIENT CARE	\$9,750,234
COMMUNITY SERVICES	\$2,330,272
MANAGEMENT & GENERAL	\$7,285,105
FUNDRAISING	\$882,194
TOTAL EXPENSES	\$40,179,332

Fiscal Year 2019 began on July 1, 2018 and ended on June 30, 2019.

OUR MISSION

To enhance the quality of life for those nearing the end of life's journey and for those who grieve.

OUR VISION

The Elizabeth Hospice aspires to a world in which every life ends with compassion, dignity and peace.

BOARD OF DIRECTORS 2018-2019

Michelle Hays, Board Chair
Jan Jones, Chief Executive Officer
Guy Anastasia
Edward Croft
Theodore Davis
Doug Dawson
Robert Hemker, Immediate Past Board Chair
Dan Laframboise
Debra Lange
Fred Nasser
Mark Neu
Lori Rappaport, PhD
Cynthia Robertson, MD
Brian Walsh



The Elizabeth Hospice

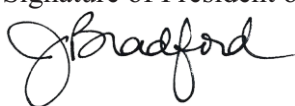
500 La Terraza Blvd., Suite 130, Escondido, CA 92025 | 800.797.2050 | elizabethhospice.org

The Elizabeth Hospice is a 501(c)(3) nonprofit. Federal Tax ID 95-3275679



SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page

(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: Moonlight Youth Theatre Date Submitted: October 6, 2020	Total # of people served: 500 Total # of San Marcos residents served: 67 households	Amount Requested: \$5,000
Non-Profit Organization Name and Address, Website Moonlight Cultural Foundation PO box 2497 Vista, CA 92084 www.moonlightfoundation.com		Contact Person – Name, Title & Phone, email Jennifer Bradford, Executive Director (760) 630-7650 jennifer@moonlightfoundation.com
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>MCF is honored to request funds for Moonlight Youth Theatre. MCF will use San Marcos Community Foundation funds (\$5,000 request) to directly support Moonlight Youth Theatre, including coordination and teaching staff, theatre production costs, scholarship funds for free and reduced class registration and production fees and more, increasing access to theatre arts for San Marcos youth.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>Overall, MFC aims to increase availability of live theatre and theatre education for all regional area youth, particularly Latinx young people who comprise the majority of students in North San Diego County's school districts (45.2% in San Marcos Unified).</p>		
<p>Please attach the following items.</p> <p><u>Both Mini-Grant & Regular:</u></p> <ol style="list-style-type: none">1. Budget for request (use SMCF Budget Worksheet)2. Annual Operating budget for the organization or unit3. Federal & State Tax ID numbers4. Board of Directors listing with affiliations5. Regular Grants Only:<ol style="list-style-type: none">a. 1-2 page narrativeb. First 2 pages of Federal 990c. Most recent year-end Statement or Audit including any management letters associated with Audit.d. Signature of President or Authorized Officer on Applicatione. Optional: letters of support		<p>Expected date project will begin/end: 1/1/2021</p> <p>Date by which funds will be expended: 12/31/2021</p> <p>Signature of President or Authorized Officer  Jennifer Bradford, Executive Director Date: October 1, 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): jcadima@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)

Total Moonlight Youth Theatre Program Expense	\$59,200
Item 1 for SMCF: Internship Program Mentors (4@\$500 = \$2000)	\$2,000
Item 2 for SMCF: Spring/Summer Musical Props & Costumes	\$1,500
Item 3 for SMCF: Scholarship Funds for Studio Class Reg & Show Production Fees	\$1,500
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$

Total budget for this PROJECT: **\$59,200**

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? No

Please list any other funding sources for this project.

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

\$3,000	(Name of source) Brabson Library Ed Foundation	**C
\$1,000	(Name of source) Walmart	**C
\$10,000	(Name of source) Vista Education Foundation	**C
\$	(Name of source)	**

Moonlight Cultural Foundation 2020 Budget

	2020 Amended Budget 7-13-20
INCOME	
Interest	\$5,000.00
Total Bank Income	\$5,000.00
CORPORATE SPONSORSHIPS	
Visionary Supporter (\$100,000)	\$25,000.00
Partner Supporter (\$50,000)	
Distinguished Supporter (\$25,000)	\$47,500.00
Honorary Supporter (\$10,000+)	\$28,000.00
Season Sponsor (\$6,000+)	\$15,000.00
Military Supporter (\$5,000+)	\$0.00
Show Sponsor (\$2500)	\$17,500.00
Business Sponsor (\$1,500+)	\$6,000.00
Total Corporate Sponsorships Income	\$139,000.00
PATRON DONATIONS (Membership)	
Patron Supporter (Under \$100)	\$2,000.00
Topaz (\$100-\$249)	\$8,000.00
Emerald (\$250 - \$499)	\$5,500.00
Sapphire (\$500-\$1499)	\$7,000.00
Ruby (\$1500-\$2499)	\$30,000.00
Diamond (\$2500 & Up)	\$17,500.00
Pearl (\$5,000+)	\$15,000.00
Lifetime Patrons	\$0.00
Patron Donations (Other)	
Total Patron Donations Income	\$85,000.00
DONATIONS UNRESTRICTED	
Donations Unrestricted	\$215,000.00
Memorial Fund	\$6,100.00
Total Donations Unrestricted Income	\$221,100.00
SPECIAL EVENT INCOME	
2020 GALA	
Gala Donation Income	\$5,000.00
Gala Single Ticket Sales	\$6,000.00
Gala Sponsorship	\$9,900.00
Gala Opportunity Income	\$0.00
Gala Silent Auction Income	\$0.00
Gala Live Auction Income	\$0.00
Gala Underwriter Income	\$3,500.00
Total Gala Income	\$24,400.00
FUNDRAISING EVENT 1 - July Birthday Party	
Sponsorships	
Ticket Sales	\$0.00
Other Income	\$0.00
Total Income	\$0.00
RAISING EVENT 2 - Jesus Christ Superstar in Concert	
Sponsorships	\$0.00
Ticket Sales	\$0.00
Total Income	\$0.00

Moonlight Cultural Foundation 2020 Budget

	2020 Amended Budget 7-13-20
KIOSK SUMMER SEASON	
Kiosk Donation Income	
Kiosk Product Sales Income	
Kiosk Sales Tax Income	
Total Kiosk Income	\$0.00
2020 PREVIEW NIGHTS	
Preview Night Ticket Sales	\$285.00
2020 NEW YORK CITY TRIP	
NYC Trip Income	\$17,850.00
2019 CHILDRENS AUDITION WORKSHOP	
Workshop Income	\$18,637.50
RESTRICTED GIFTS	
MYT Donations Restricted	\$0.00
Donations Restricted Income	\$0.00
Total Restricted Income	\$0.00
REACH INCOME - MYT & ANGELS INCLUDED	
Moonlight Youth Theatre Program Income	\$67,200.00
MYT Auxiliary Income	\$2,500.00
Angels Auxiliary Income	\$9,600.00
Total Outreach Income	\$79,300.00
GRANTS	
Unrestricted (MCF)	\$15,000.00
Restricted (MCF)	\$37,000.00
Restricted (MSP)	\$163,000.00
Education Outreach	\$15,000.00
Total Grant Income	\$230,000.00
TOTAL FOUNDATION INCOME	\$820,572.50
EXPENSES	
GENERAL EXPENSES	
Bad Debt	
Reconciliation Discrepancies	
Attorney Fees	\$400.00
Bank Service Charge	\$100.00
Board Development	\$750.00
CPA Services/Accounting	\$4,200.00
Patron Software	\$5,000.00
Dues & Subscriptions	\$1,500.00
Grant Writing Support	\$6,900.00
Equipment/Repair/IT Support	\$200.00
Total General Expenses	\$19,050.00
INSURANCE	
Directors & Officers Insurance	\$1,910.00
Moonlight Youth Theatre Insurance	\$1,800.00

Moonlight Cultural Foundation 2020 Budget

	2020 Amended Budget 7-13-20
Liability Insurance	\$1,230.00
Workers Compensation	\$1,800.00
Total Insurance	\$6,740.00
PAYROLL EXPENSES	
Benefits	\$4,000.00
Employee Mileage	\$400.00
Salaries	\$158,700.00
Total Payroll	\$163,100.00
CONTRACTED WAGES	
Seasonal & Temporary	\$0.00
Tax-Payroll	\$17,000.00
Marketing Support	\$0.00
Total Contracted Wages	\$17,000.00
SPECIAL EVENT EXPENSES	
Gala Expenses	\$2,800.00
Fundraising Event 1 Expenses	\$3,250.00
Fundraising Event 2 Expenses	\$0.00
Kiosk Product Expense	\$0.00
Kiosk Sales Tax Expense	\$0.00
Kiosk Start-Up Expense	\$0.00
Total Kiosk Expenses	\$0.00
Preview Night Expenses	\$0.00
NYC Trip Expenses	\$100.00
Workshop Expenses	\$428.00
Total Special Event Expenses	\$6,578.00
OTHER EXPENSES	
Meeting	\$500.00
Hospitality	\$750.00
Merchant Services	\$10,000.00
Office Supplies/Equipment	\$3,000.00
Phone/Fax/DSL	\$4,000.00
Postage/Shipping	\$2,000.00
Printing & Copy Services	\$3,200.00
Donor & Sponsor Cultivation	\$3,000.00
Staff Development	\$500.00
Storage	\$700.00
Volunteer Appreciation Event	\$0.00
Tax/Fees/Licenses	\$100.00
Website	\$0.00
Total Other Expenses	\$27,750.00
DONOR AND SPONSOR BENEFITS	
Donor/Sponsor/Lifetime Recognition	\$6,000.00
Opening Night Dinner	\$0.00
VIP Patron Event	\$3,500.00
Total Donor and Sponsor Benefits Exp.	\$9,500.00
ONLIGHT/CITY OF VISTA PROGRAM EXPENSES	
2019 Designated MSP Program Expense	\$125,000.00

Moonlight Cultural Foundation 2020 Budget

	2020 Amended Budget 7-13-20
Future Designated MSP Program Expense Pre-payment	\$130,000.00
Marketing & PR Expenses	\$60,000.00
Actor/Orchestra Subsidy	\$0.00
Board Restricted Fund Transfer	
Grants Restricted for MSP	\$163,000.00
Total MSP/COV Program Support Expenses	\$478,000.00
OUTREACH PROGRAM EXPENSES (MYT)	
MYT Program Subsidy	\$1,000.00
MYT Marketing Expense	\$750.00
MYT Director of Arts Education Salary	\$31,300.00
Moonlight Youth Theatre Program Expenses	\$59,200.00
Total Outreach Program Expenses	\$92,250.00
Total Foundation Expense	\$819,968.00
Net Income	\$604.50



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248452924
Apr. 22, 2008 LTR 4168C E0
23-7359530 000000 00 000
00015907
BODC: TE

MOONLIGHT CULTURAL FOUNDATION
PO BOX 2497
VISTA CA 92085-2497978



012#15

Employer Identification Number: 23-7359530
Person to Contact: Maggie Webster
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Apr. 11, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in April 1991, that recognized you as exempt from Federal income tax, and discloses 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(s) 509(a)(1) and 170(b)(1)(A)(vi).

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 yours,

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

In reply refer to
755:G :GRW

April 11, 2008

MOONLIGHT CULTURAL FOUNDATION
PO BOX 2497
VISTA CA 92085-2497

Purpose : CIVIC LEAGUE
Code Section : 23701f
Form of Organization : Corporation
Accounting Period Ending: December 31
Organization Number : 0710543

EXEMPT DETERMINATION LETTER

This letter confirms your previous exemption from state franchise or income tax under the provisions of the Revenue and Taxation Code section indicated above. In confirming your exempt status, we have made no examination of your current activities. If the organization has changed its operation, character, or purpose since exemption was originally granted, that change must be reported immediately to this office.

To retain exempt status, organizations are required to be organized and operating for nonprofit purposes within the provisions of the above section. An inactive organization is not entitled to exemption.

For filing requirements see, FTB Pub. 1068, Exempt Organizations - Requirements for Filing Returns and Paying Filing Fees is available online at www.ftb.ca.gov.

Note: This exemption is for state franchise or income tax purposes only.

G WALKER
EXEMPT ORGANIZATIONS
BUSINESS ENTITIES SECTION
TELEPHONE (916) 845-6053
FAX NUMBER (916) 845-9501

RTF:



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

In reply refer to
755:G :GRW

April 11, 2008

MOONLIGHT CULTURAL FOUNDATION
PO BOX 2497
VISTA CA 92085-2497

Purpose : CIVIC LEAGUE
Code Section : 23701f
Form of Organization : Corporation
Accounting Period Ending: December 31
Organization Number : 0710543

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G WALKER
EXEMPT ORGANIZATIONS
BUSINESS ENTITIES SECTION
TELEPHONE (916) 845-6053
FAX NUMBER (916) 845-9501

RTF:



Board of Directors and Affiliations

Jeff Pashby, President
Senior Sales Associate, The Lund Team
jeff@lundteam.com | (760) 522-1275

Dave Cowles, Vice President
Retired Superintendent, Vista Unified School District
djcowles@mac.com | (760) 727-8280

Carrie Foster, Treasurer
CFO, Frontwave Credit Union
cfoster@frontwavecu.com

R. Kent Leithold, Secretary
Director of First Impressions, Vista Chamber of Commerce
kent@vistachamber.org | (760) 726-1122

Bill Birnie
CEO, Frontwave Credit Union
piednoire54@gmail.com | (760) 626-8283

Angel Mason Broadus
CEO/Founder, Puzzle Pieces Marketing
angelm@pzlpieces.com | (858) 848-6584 ext. 101

Margo Cobian
Administrator/Public Relations
EDCO Waste & Recycling Services
mcobian@edcodisposal.com | (760) 801-1732

Ryan Coleman
Financial Advisor, Edward Jones
Ryan.Coleman@edwardjones.com | (760) 414-1815

Angie Frazier
Designer, Archive Rentals
angie@archiverentals.com | (858) 952-6838

Aja Howell
Organizational Development Team Lead
San Diego Gas & Electric
ahowell@semprautilities.com | 760.224.3246

Carlton Lund
Retired, Civic Leader
Sandy@lundteam.com | (760) 519-0062

Mary Lou Montulli
Retired, Civic Leader
marylou@montulli.org | (760) 598-0288

Wesley McDonough
Retired, Civic Leader
rwesleymcdonough@gmail.com | (760) 681-7033

Rita Geldert
City Manager (retired), City of Vista
rlgeldert@cox.net | (760) 809-6134

As of January 1, 2020

BOARD OF DIRECTORS

Jeff Pashby
President

Dave Cowles, Ed.D
Vice President

Carrie Foster
Treasurer

Kent Leithold
Secretary

Bill Birnie

Angel Mason Broadus

Margo Cobian

Ryan Coleman

Angie Frazier

Aja Howell

Carlton Lund

Wesley McDonough

Mary Lou Montulli

Christine Whitten

STAFF

Jennifer Bradford
Executive Director

Justin Jorgensen Vierela
Director of Development

Mike Bradford
Director of Arts Education

Emma Nossal
Administrative Assistant

San Marcos Community Foundation
c/o City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069
Email: jcadima@san-marcos.net

October 1, 2020

Dear Director,

The Moonlight Cultural Foundation is pleased to have this opportunity to request \$5,000 to support the Moonlight Youth Theatre (MYT) program at a critical and challenging time. Due to the COVID-19 pandemic, we have had to reimagine our programming for the year. While our musical theatre productions had to be postponed to 2021, we are proud to have been able to offer outdoor programs and training in smaller groups for students.

Organization: Launched in 1974 as The Vista Foundation, the Foundation made its first contribution to the community with the construction of Moonlight Amphitheater, a gift to the city in honor of the nation's bicentennial and launched on July 4, 1976. The mission of the Moonlight Cultural Foundation is to build and engage community through transformative arts experiences by providing philanthropic support for Moonlight Stage Productions and Moonlight Youth Theatre's arts education programs.

In 1993, Encore Youth Theatre (now known as Moonlight Youth Theatre) became an affiliated group of the Foundation, providing education in theatre arts and development of leadership skills through fully staged productions at the Avo Playhouse. In 2018, the Moonlight Cultural Foundation celebrated twenty-five years of Arts Education programming with Moonlight Youth Theatre (MYT). MYT is dedicated to providing high quality, professional theatrical training for young people, ages seven to eighteen. Each year the program helps hundreds of aspiring young actors to pursue their dreams by producing fully staged productions, theatrical workshops and studio classes. The program encourages family support and teamwork, and works to challenge youth to develop confidence, creativity and consideration for others in a context of theatre. Moonlight Youth Theatre serves an average of 500 local students each year.

Need: Overall, MFC aims to increase availability of live theatre and theatre education for all regional area youth, particularly Latinx young people who comprise the most numerous students in North San Diego County's school districts (45.2% in San Marcos Unified).

Funding for arts education in local schools has been drastically reduced in recent years. Moonlight Youth Theatre bridges the gap between the arts education provided in schools and the robust exposure to and experience with the arts that MCF believes to be a vital necessity in the developmental growth of students. Access to arts education is essential and studies show that an arts related education improves the health and well-being of students. Capacity limitations and increased expenses including added safety procedures have made it more difficult but our commitment to keep students engaged in the arts during these challenging times is unchanged.

MYT is dedicated to increasing opportunities for North County youth to develop leadership skills, learn teamwork, and gain the soft skills (timeliness, work ethic) needed to successfully transition to adulthood. In addition, involvement in the arts is understood to increase self-confidence through creative self-expression. Finally, the theatre experience is full of opportunities to learn concrete skills in addition to the self-expression associated with acting. Youth learn to build sets, run light and sound boards, develop costumes and more, resulting in the development of concrete skills to contribute to a career in theatre or to generalize to other careers.

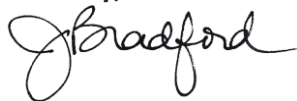
Project: Moonlight Youth Theatre (MYT) is dedicated to providing high quality, professional theatrical training for young people, ages seven to eighteen. Each year, the program helps hundreds of aspiring young actors to pursue their dreams by producing fully staged productions, theatrical workshops and studio classes. The program encourages family support and teamwork, and works to challenge youth to develop confidence, creativity and consideration for others in a context of theatre.

MYT produces three fully staged productions each year, produced at the Moonlight Amphitheatre and AVO Playhouse, both in Vista, CA. In addition, Moonlight Youth Theatre offers a Youth Theatre Internship Program which is currently the only one of its kind in the region. Professional staff are hired to work as mentors for MYT student Interns to give them hands-on experience in technical theatre, directing, and other theatrical fields. This creates a fully integrated program with training for both on stage and behind the scenes. The internship program culminates with one production completely organized by student interns.

Use of Funds: Funding from the San Marcos Community Foundation will support staff time in curriculum development and the hiring of internship program mentors as well as the ability to offer both full and partial scholarships to enable students with financial need to participate in MYT. The funds will also help to cover some of the hard costs for upcoming 2021 MYT theatre productions.

The Moonlight Cultural Foundation would be proud to consider the **San Marcos Community Foundation** a partner in the provision of creative youth development through the theatre arts. Please feel free to contact me directly at jennifer@moonlightfoundation.com or at (760) 630-7650 if you have questions or would like more information. Thank you for your consideration of our proposal.

Sincerely,



Jennifer Bradford
Executive Director

Attachment

Application Form
Project Budget Form
MCF Organizational Budget
Board of Directors
990 (pp 1-2)
Year End Financial Statement 2018

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.

2018**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

A For the 2018 calendar year, or tax year beginning		, 2018, and ending		
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 MOONLIGHT CULTURAL FOUNDATION PO BOX 2497 VISTA, CA 92085		D Employer identification number 23-7359530	
			E Telephone number 760-630-7650	
			G Gross receipts \$ 1,105,089.	
			H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
F Name and address of principal officer: 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.MOONLIGHTFOUNDATION.COM				
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: 1974	M State of legal domicile: CA	

Part I Summary				
Activities & Governance	1	Briefly describe the organization's mission or most significant activities: SUPPORT OF THE ARTS AND RECREATION IN THE LOCAL COMMUNITY. EMPHASIS IS PLACED ON SUPPORTING THE CITY OF VISTA.		
	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)	13	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	13	
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	6	
	6	Total number of volunteers (estimate if necessary)	150	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.	
7b	Net unrelated business taxable income from Form 990-T, line 38.	0.		
Revenue	8	Contributions and grants (Part VIII, line 1h)	616,857.	519,488.
	9	Program service revenue (Part VIII, line 2g)	107,739.	182,839.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	146.	133.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	168,805.	226,806.
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)	893,547.	929,266.
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	200,000.
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)	166,199.	144,006.
16a		Professional fundraising fees (Part IX, column (A), line 11e)		
b		Total fundraising expenses (Part IX, column (D), line 25) ▶ 78,086.		
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	397,315.	402,821.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	763,514.	726,227.
Net Assets or Fund Balances	19	Revenue less expenses. Subtract line 18 from line 12.	130,033.	203,039.
	20	Total assets (Part X, line 16)	517,332.	718,167.
		Total liabilities (Part X, line 26)	2,310.	106.
		22	Net assets or fund balances. Subtract line 21 from line 20.	515,022.

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		
	LEE COVELL		TREASURER		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	JESSICA M. DORSETT		11/14/19		P00874090
	Firm's name	Firm's EIN ▶			
	POLITO, EPPICH ASSOCIATES, LLP	32-0076871			
	Firm's address	Phone no.			
	100 E. SAN MARCOS BLVD., #100	760-599-9900			
	SAN MARCOS, CA 92069				

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.**

TEEA0101L 08/20/18

Form **990** (2018)

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:

AN ORGANIZATION OF PASSIONATE VOLUNTEERS DEDICATED TO SHARING, SUPPORTING AND
ENHANCING THE THEATRICAL EXPERIENCE IN SAN DIEGO NORTH COUNTY.

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 \$ 374,086. including grants of \$ 179,400.) (Revenue \$)

THE ORGANIZATION SUPPORTS MOONLIGHT STAGE PRODUCTIONS BY PROVIDING FUNDING FOR
EQUIPMENT, COSTUMES, SETS AND MARKETING EFFORTS AS WELL AS ARTS EDUCATION AND
COMMUNITY OUTREACH.

IN 2018, THE BOARD OF DIRECTORS DESIGNATED \$300,000 OF ITS EXCESS RESERVES TO
ESTABLISH A 40TH ANNIVERSARY FUND FOR THE FUTURE BENEFIT OF THE MOONLIGHT STAGE
PRODUCTIONS. FUTURE GRANTS FROM THIS FUND WILL BE EXPENSED IN THE YEAR PAID AND IS
THEREFORE NOT INCLUDED IN 2018 EXPENDITURES.

4b (Code:) (Expenses \$ 111,255. including grants of \$) (Revenue \$)

THE MOONLIGHT YOUTH THEATRE, A DIVISION OF THE MOONLIGHT CULTURAL FOUNDATION,
PROMOTES EDUCATION IN THEATRE ARTS FOR YOUTH, PROVIDING A VEHICLE FOR PERFORMANCE
INCLUDING READERS' THEATRE, VARIETY SHOWS, MUSICALS AND RECITALS AND UTILIZING
COMMUNITY RESOURCES.

4c (Code:) (Expenses \$ 42,755. including grants of \$) (Revenue \$)

THE MOONLIGHT ANGELS AUXILIARY, FORMED UNDER THE MOONLIGHT CULTURAL FOUNDATION,
PROMOTES AND SUPPORTS THE MOONLIGHT AMPHITHEATRE IN FUNDRAISERS AND VOLUNTEER STAFF.
REVENUES RECEIVED THROUGH DUES AND FUNDRAISING ARE FORWARDED TO THE MOONLIGHT
CULTURAL FOUNDATION TO FURTHER PROMOTE THE ARTS AND CIVIC ACTIVITIES AT THE MOONLIGHT
AMPHITHEATRE.

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

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

4e Total program service expenses **528,096.**

Moonlight Cultural Foundation Balance Sheet

Accrual Basis

As of December 31, 2019

	Dec 31, 19
ASSETS	
Current Assets	
Checking/Savings	
Edward Jones- Restricted Fund	267,708.55
Comerica Bank	10,202.95
Pacific Western	351,643.83
US Bank Debit Card & Checking	38,591.83
Total Checking/Savings	668,147.16
Accounts Receivable	
A R	23,273.32
Total Accounts Receivable	23,273.32
Other Current Assets	
Undeposited Funds	6,875.00
Total Other Current Assets	6,875.00
Total Current Assets	698,295.48
Fixed Assets	
Accumulated Depreciation	-10,874.54
Office Equipment	
Other Equipment	14,805.87
Office Equipment - Other	741.10
Total Office Equipment	15,546.97
Total Fixed Assets	4,672.43
TOTAL ASSETS	702,967.91
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	1,376.94
Total Other Current Liabilities	1,376.94
Total Current Liabilities	1,376.94
Total Liabilities	1,376.94
Equity	
Fund Balances	
Board Restricted Fund- 40th Ann	302,708.55
General Fund	343,536.90
Total Fund Balances	646,245.45
Retained Earnings	54,049.86
Net Income	1,295.66
Total Equity	701,590.97
TOTAL LIABILITIES & EQUITY	702,967.91

Moonlight Cultural Foundation

Profit & Loss Budget vs. Actual

Accrual Basis

January through December 2019

	Jan - Dec 19	Budget
Ordinary Income/Expense		
Income		
Bank Interest	7,246.58	
GENERAL FOUNDATION REVENUE		
Corporate Sponsorships		
Visionary Supporter \$100,000	12,500.00	
Distinguished Supporter \$25,000	95,000.00	75,000.00
Honorary Supporter \$10,000 & up	42,500.00	40,000.00
Season Sponsor \$6,000 & up	23,000.00	18,000.00
Military Supporter \$5,000 & up	10,000.00	10,000.00
Show Sponsor \$2,500	27,000.00	25,000.00
Business Sponsor \$1,500 & up	7,000.00	9,000.00
Total Corporate Sponsorships	217,000.00	177,000.00
Patron Donations		
Patron Supporter (Under \$100)	2,491.00	3,000.00
Topaz (\$100-\$249)	9,253.00	13,000.00
Emerald (\$250 - \$499)	9,434.00	7,500.00
Sapphire (\$500-\$1,499)	17,085.00	12,500.00
Ruby (\$1,500-\$2,499)	43,717.25	45,000.00
Diamond (\$2,500 & Up)	30,950.00	25,000.00
Pearl (\$5,000 & Up)	20,000.00	10,000.00
Lifetime Patrons		5,000.00
Total Patron Donations	132,930.25	121,000.00
Donations-Unrestricted		
Donations - Unrestricted	45,093.68	43,000.00
Memorial Fund - Unrestricted	2,480.00	3,000.00
Total Donations-Unrestricted	47,573.68	46,000.00
SPECIAL EVENT INCOME		
Gala Income		
Gala Donation Income	2,360.00	1,500.00
Gala Single Ticket Sales	15,000.00	14,500.00
Gala Sponsorship	30,000.00	25,000.00
Gala Opportunity Income	760.00	3,000.00
Gala Silent Auction Income	7,065.00	8,000.00
Gala Live Auction Income	63,500.00	71,000.00
Gala Underwriter Income	4,000.00	2,500.00
Total Gala Income	122,685.00	125,500.00
Fundraising Campaign #1		
Sponsorships		2,500.00
Ticket Sales	6,225.00	10,500.00
Fundraising Campaign #1 - Other	6,300.00	
Total Fundraising Campaign #1	12,525.00	13,000.00
Fundraising Campaign #2		
Sponsorships	5,000.00	4,000.00
Ticket Sales	25,264.25	35,000.00
Total Fundraising Campaign #2	30,264.25	39,000.00
KIOSK SUMMER SEASON		
Kiosk Donation Income	296.00	100.00
Kiosk Product Sales Income	7,525.13	13,000.00
Kiosk Sales Tax Income	647.87	1,000.00
Total KIOSK SUMMER SEASON	8,469.00	14,100.00
Preview Nights & Events		
Preview Night Ticket Sales	26,619.10	28,000.00
Total Preview Nights & Events	26,619.10	28,000.00

Moonlight Cultural Foundation

Profit & Loss Budget vs. Actual

Accrual Basis

January through December 2019

	Jan - Dec 19	Budget
New York City Trip		
NYC Trip Income	130,383.62	100,200.00
Total New York City Trip	130,383.62	100,200.00
Children Audition Workshop		
Workshop Income	22,349.50	10,500.00
Total Children Audition Workshop	22,349.50	10,500.00
Total SPECIAL EVENT INCOME	353,295.47	330,300.00
Total GENERAL FOUNDATION REVENUE	750,799.40	674,300.00
RESTRICTED GIFTS		
MYT Donations Restricted	25,000.00	25,000.00
Donations Restricted Income	10,000.00	10,000.00
OUTREACH PROGRAM INCOME		
Moonlight Youth Theatre Income	161,807.09	173,525.00
MYT Auxillary Income	12,496.43	10,075.00
Angels Auxillary Income	70,035.00	60,750.00
Grants		
Grants - Unrestricted		5,000.00
Grants - Restricted Income	38,000.00	30,000.00
Grants - Ed Outreach Income	17,000.00	10,000.00
Total Grants	55,000.00	45,000.00
Total OUTREACH PROGRAM INCOME	299,338.52	289,350.00
Total RESTRICTED GIFTS	334,338.52	324,350.00
Total Income	1,092,384.50	998,650.00
Expense		
Bad Debt		
Reconciliation Discrepancies		
GENERAL FOUNDATION OVERHEAD		
Attorney		1,500.00
Bank Service Charge	276.09	200.00
Board Development	1,472.69	1,500.00
CPA Services/Accounting	4,192.05	4,800.00
Donor Software	6,009.43	4,600.00
Dues & Subscriptions	2,267.56	1,900.00
Equipment Maintenance/Repair		1,000.00
Grant Writing Expense	9,600.00	10,000.00
Hospitality	1,532.15	1,500.00
Insurance		
Directors & Officers Insurance	1,910.00	1,910.00
MYT Insurance Expense	1,639.00	1,305.00
Liability Insurance	1,128.81	1,050.00
Workers Compensation	1,985.00	1,950.00
Total Insurance	6,662.81	6,215.00
Meeting Expenses	581.54	1,000.00
Merchant Services	11,767.86	9,000.00
Office Supplies/Equipment	4,052.71	4,000.00
Payroll Expenses		
Benefits	3,924.03	5,000.00
Employee Mileage Account	823.46	650.00
Salaries	150,531.87	164,000.00

Moonlight Cultural Foundation

Profit & Loss Budget vs. Actual

Accrual Basis

January through December 2019

	Jan - Dec 19	Budget
Contracted Wages		
Seasonal and Temporary	230.00	500.00
Tax-Payroll	16,248.53	16,000.00
Marketing Support Position	6,500.00	6,500.00
Total Contracted Wages	22,978.53	23,000.00
Total Payroll Expenses	178,257.89	192,650.00
Phone/Fax/DSL	4,663.84	4,600.00
Postage/Shipping	2,040.09	3,000.00
Printing & Copy Serv.	6,197.62	6,500.00
Donor & Sponsor Cultivation	4,178.66	4,500.00
Staff Development-Training	1,926.87	3,000.00
Storage	2,628.00	2,600.00
Tax/Fees/Licenses	-20.00	200.00
Volunteer Appreciation Event	689.32	750.00
Web Fees		10,000.00
Total GENERAL FOUNDATION OVERHEAD	248,977.18	275,015.00
DONOR-SPONSOR BENEFIT EXPENSES		
Donor/Sponsor/Lifetime Recog.	8,239.65	6,500.00
Opening Night Dinner Expense	5,886.45	5,500.00
VIP Patron Event	2,557.03	3,500.00
Total DONOR-SPONSOR BENEFIT EXPENSES	16,683.13	15,500.00
SPECIAL EVENT EXPENSES		
Preview Night Expense		100.00
Workshop Expenses	2,174.61	1,500.00
NYC Trip Expenses	97,838.16	78,000.00
Kiosk Start-Up Expense	123.43	200.00
Kiosk Product Expense	5,242.96	8,000.00
Kiosk Sales Tax Expense	1,014.96	900.00
Fundraising Campaign #1 Expense	4,836.01	5,500.00
Fundraising Campaign #2 Expense	12,977.65	14,000.00
Gala Expenses	36,117.94	40,000.00
Total SPECIAL EVENT EXPENSES	160,325.72	148,200.00
MOONLIGHT/CITY O VISTA PROGRAM		
Designated MSP Program Expense	117,789.43	125,000.00
Designated MSP Program Pre-Paym	125,000.00	87,500.00
Marketing & PR Expenses	185,061.43	165,000.00
Grants Restricted for MSP	45,000.00	
Actor/Orchestra Subsidy	3,000.00	3,000.00
Board Restricted Fund Transfer	35,000.00	10,000.00
Total MOONLIGHT/CITY O VISTA PROGRAM	510,850.86	390,500.00
OUTREACH PROGRAM EXPENSES		
Moonlight Youth Theatre		
Moonlight Youth Theatre Expense	119,407.76	134,550.00
MYT Program Subsidy	2,819.09	2,500.00
MYT Marketing Expense	2,025.00	1,500.00
MYT Director of Arts Ed Salary	30,000.10	30,000.00
Total Moonlight Youth Theatre	154,251.95	168,550.00
Total OUTREACH PROGRAM EXPENSES	154,251.95	168,550.00
Total Expense	1,091,088.84	997,765.00
Net Ordinary Income	1,295.66	885.00
Net Income	1,295.66	885.00

SAN MARCOS COMMUNITY FOUNDATION

Grant Cover Page



(Choose one) ☐ **MINI-GRANT** (Choose one) ☒ **REGULAR GRANT**

Project Name: Dental X-Ray Sensor for TrueCare in San Marcos Date Submitted: 10/7/20	Total # of people served: 2,505 Total # of San Marcos residents served: 1,215	Amount Requested: \$5,000
Non-Profit Organization Name and Address, Website North County Health Project, Inc. 150 Valpreda Road San Marcos, CA 92069 www.truecare.org		Contact Person – Name, Title & Phone, email Courtney Farrell, Grant Writer (760) 736-8723 courtney.farrell@truecare.org
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>TrueCare respectfully requests a \$5,000 San Marcos Community Foundation grant to purchase a size 1 dental x-ray sensor to increase our efficiency and capacity to provide oral healthcare to low-income, minority, and underserved children and adolescents at our San Marcos TrueCare location. The requested x-ray sensor is an integral component of digital x-ray equipment at TrueCare and will help alleviate the challenges identified below. Digital oral imaging sensors are small, re-usable tabs that are inserted into patients' mouths to capture digital x-ray images. They are designed to be used very quickly, which is especially important when working with children. Over time (about 5 years), due to frequent and extreme bending, they gradually produce less and less defined images and need to be replaced.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The most commonly identified barrier to accessing dental care for our patients is long wait times. Since our patients oftentimes have to take off from work and/or arrange childcare for an appointment, TrueCare tries to make appointments as quick and convenient as possible. Unfortunately, dental x-ray sensors often have to be shared between multiple exam rooms and as the sensors age, repeat images sometimes have to be taken. These factors lead to longer appointments and in turn, longer waits in waiting rooms as our providers get behind schedule. A San Marcos Community Foundation grant will offer patients increased access to dental services by increasing our efficiency to provide oral healthcare. The impact of this project will dramatically improve the quality of life for underserved and vulnerable children and adolescents in San Marcos for years to come.</p>		
Please attach the following items. <u>Both Mini-Grant & Regular:</u> 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 <u>5. Regular Grants Only:</u> 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: 1/1/21 Date by which funds will be expended: 3/31/21 <hr/> Signature of President or Authorized Officer <div style="display: flex; justify-content: space-between; width: 100%;"> Name, Title Michelle D. Gonzalez, MPA, President & CEO Date 10.6.2020 </div> <hr/> 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): icadima@san-marcos.net



San Marcos Community Foundation Project Narrative

Organization Information

Established in 1971, North County Health Project, Inc., d.b.a. TrueCare (formerly known as North County Health Services) is a private, non-profit 501(c)(3) Federally Qualified Health Center (FQHC) that provides comprehensive medical, dental, and behavioral health services to primarily underserved and low-income residents of northern San Diego and southwestern Riverside counties. Over the last 49 years, TrueCare has grown to 12 health centers located in San Marcos, Carlsbad, Encinitas, Oceanside, Ramona, and Perris.

Responding to the healthcare needs of low-income, underserved families continues to drive the mission of TrueCare “to improve the health status of our diverse communities by providing quality healthcare that is comprehensive, affordable, and culturally sensitive.”

TrueCare’s comprehensive services include adult and pediatric primary care, obstetrics, gynecology, perinatology, family planning, dental, integrated behavioral health, chiropractic, and a full range of enabling services to help clear the pathway to access. Enabling services include health outreach, health education, free health screenings and programs, transportation to and from appointments, translation services, case management, and assistance in applying for, enrolling in, and utilizing health insurance, MediCal, CalFresh, and WIC benefits.

In 2019, TrueCare served 62,175 medical, 14,794 dental, and 7,405 behavioral health patients through 324,499 total visits. TrueCare patients are predominately low income (95.9% below 200% federal poverty level (FPL) and 64.6% at or below 100% FPL), uninsured (21.8%), and underserved. 36.18% of patients are pediatrics (0-17), 57.97% are adults (18-64), and 5.80% are seniors (65+). In 2019, 80.43% of patients were a racial or ethnic minority, 9.4% were migrant and seasonal farm workers, and 5.8% were veterans.

Statement of Need

Future funding for healthcare safety-net organizations like TrueCare is at risk now more than ever with questions surrounding federal funding and the impacts of COVID-19. At the onset of the public health crisis, TrueCare lost approximately \$125,000 each day. This is primarily due to our commitment to provide healthcare services to all, as we were not charging any of our uninsured patients for virtual visits. We also had to temporarily consolidate our health centers due to limited personal protective equipment and sanitation supplies, which also impacted our financial position.

In recent years, TrueCare has also noticed more and more patients hesitant to participate or no longer participating in government assistance programs, including Medi-Cal, WIC, and CalFresh. TrueCare patients are reporting increased levels of fear surrounding the current political climate, causing them to become more apprehensive to maintain health insurance and access healthcare. This puts TrueCare’s funding in jeopardy as more uninsured patients translates into higher costs as we do not turn any patient away due to inability to pay.

In response to these uncertainties, TrueCare is taking a close look at the various processes and clinical workflows in an effort to identify waste, standardize service delivery, and reduce inefficiencies. All of these are critical in creating access and improving care, especially at our largest health center in San Marcos, which provides care to approximately 30,000 patients each year. In an assessment of TrueCare dental operations, we identified significant waste in various processes and clinical workflows within



San Marcos Community Foundation Project Narrative

our oral health services. One of the most significant areas of inefficiencies identified was the amount of time it takes to have x-rays taken during a patient's visit. TrueCare does not currently have a dedicated space for dental x-rays to be taken at TrueCare San Marcos and as such x-rays are done within the operatories. Portable dental x-ray units are used by support staff and moved from room to room as needed. However, often times, these units have to be shared by as many as four clinical teams. In addition, TrueCare has a limited number x-ray sensors that are moved around as patients require x-rays. The limited equipment leads to inefficiencies that often result in a poor patient experience, bottleneck effect, and frustrated providers and support staff.

Project Description

TrueCare respectfully requests a \$5,000 San Marcos Community Foundation grant to purchase a size 1 dental x-ray sensor to increase our efficiency and capacity to provide oral healthcare to low-income, minority, and underserved youth and adolescents at the TrueCare San Marcos health center.

TrueCare's oral health services assessment included patient feedback surveys asking about our patients' dental experiences. The most commonly identified barrier to accessing dental care was long wait times for appointments (34.6%). Many patients also identified long wait times in waiting rooms as a barrier to care. Since our patients oftentimes have to take off from work and/or arrange childcare to attend an appointment, TrueCare tries to make their appointments as quick and convenient as possible. One of the most essential components of a dental visit is x-rays, especially for children. X-rays allow a dentist to track how a child's teeth develop, as well as look for signs of decay, cavities, and other diseases. Unfortunately, dental x-ray sensors often have to be shared between multiple exam rooms at TrueCare and as the sensors age, repeat images sometimes have to be taken. These factors lead to longer appointments and in turn, longer waits in waiting rooms as our dental providers get behind schedule.

The requested x-ray sensor is an integral components of digital x-ray equipment at TrueCare and will help alleviate the challenges identified above. Digital oral imaging sensors are small, re-usable tabs that are inserted into patients' mouths to capture digital x-ray images. They are designed to be flexible and are curved to be comfortable when put into place. They are also designed to be used very quickly, which is especially important when working with children. The sensors can also capture panoramic images and may be used during dental surgery. These digital oral imaging sensors come in various sizes 0 for toddlers and young children, size 1 for older children, and size 2 for adults. Over time (about five years), due to frequent and extreme bending, they gradually produce less and less defined images and need to be replaced.

Project Benefits

A grant from the San Marcos Community Foundation will increase access to oral healthcare for approximately x,xxx low-income, minority, and underserved children and adolescents living in San Marcos, as well as an additional x,xxx children living in the surrounding communities. This grant will also help increase TrueCare's capacity for the future to provide oral health services to San Marcos' most vulnerable residents for years to come. The impact of this project will dramatically improve the quality of life for underserved, vulnerable children and also their prospects for a productive and healthy future in San Marcos and the surrounding communities.

\$2,117.11	(Name of source)	TrueCare In-Kind Support	** (C)
\$	(Name of source)		**
\$	(Name of source)		**
\$	(Name of source)		**

NORTH COUNTY HEALTH PROJECT, INC.
Operational Budget
For the Period ending 12/31/2020

REVENUES, GAINS, AND OTHER SUPPORT

Contracts and grants	\$ 13,247,202
Patient services, net of bad debt	65,438,141
Contracted Pharmacy	5,968,394
Miscellaneous	726,943
Philanthropy & Special Events	621,087
Interest income	8,355
Gain on Investments @ 1.75%	240,000
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	86,250,122

EXPENSES

Personnel	51,983,068
Fringe benefits	11,222,102
Contractual services	
Patient	4,671,795
Non-Patient	4,215,788
Accounting services	483,935
Consumable supplies	2,276,625
Contracted pharmacy supplies	1,549,977
Administrative supplies	779,177
Insurance	388,730
Facilities	
Rent	760,541
Mortgage Interest	441,790
Utilities	732,074
Other Facilities Expense	1,015,982
Communications	945,563
Travel	400,992
Minor Equipment, maintenance and rental	962,343
Staff Recruitment & Retention	811,553
Public Communications	256,783
Other Expenses	
Outreach	45,965
Other Operating Expenses	631,434
Depreciation	3,097,409

TOTAL EXPENSES

87,673,626

Decrease in Net Assets from Operations

(1,423,504)

OGDEN UT 84201-0038

In reply refer to: 0437870217
Sep. 15, 2011 LTR 4168C 0
95-2847102 000000 00
00025203
BODC: TE

NORTH COUNTY HEALTH PROJECT INC
150 VALPRED A ROAD
SAN MARCOS CA 92069-2973



002592

Employer Identification Number: 95-2847102
Person to Contact: Exempt Organization
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Sep. 06, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in July, 1973.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

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.

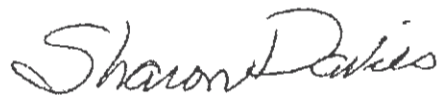
Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0437870217
Sep. 15, 2011 LTR 4168C 0
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00025204

NORTH COUNTY HEALTH PROJECT INC
150 VALPRED A ROAD
SAN MARCOS CA 92069-2973

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

Sincerely yours,

A handwritten signature in cursive script that reads "Sharon Davies".

Sharon Davies
Accounts Management I



FRANCHISE TAX BOARD

SACRAMENTO, CALIFORNIA 95867

June 28, 1973

In reply refer to
EO:JCS:ch

North County Health Project Incorporated
170 West Mission
San Marcos, CA 92069

Purpose: Charitable
Form of Organization: Corporation
Accounting Period Ending: August 31
Organization Number: 676146

Gentlemen:

Based on 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.

Contributions made to you are deductible by donors as provided by Sections 17214 through 17216.2 and 24357 through 24359 of the Code, unless your purpose is testing for Public Safety.

If the organization is incorporating or is a foreign corporation qualifying to do business in California, this approval will expire unless incorporation or qualification is completed within 30 days.

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

James C. Stewart
James C. Stewart
Counsel

☐ cc: Secretary of State (Corp)

Board of Directors List - 2020

The Bylaws as amended (1/19) authorize not less than 9 nor more than 19 seated board members; not fewer than 8 active at any time (not on leave or sabbatical). Board members must: (1) represent user demographics (race, gender, occupation, economic scale); (2) be a community representative (banking, health, teaching, attorney, business, etc. (3) be a farmworker/migrant/seasonal patient or representative; (4) be a member at large (exempt from other requirements). Board members are elected to serve 3-year terms; no term limits.

Slot No.	Director Name	Board Position	Spouse Name	Occupation/Business Affiliation	Residence Address	City/State	Zip	Phones	Email address	1st Start Date	Term/Year	User of Services? Y/N
I USER OF SERVICES												
1	Walt Steffen	Director	Maureen	Retired LCSW, County of SD	833 North Daisy Street	Escondido, CA.	92027	760-743-3715 (Res) 760-807-3997 (Cell)	wsteffen43@yahoo.com	May-71	1/3	Y
2	Open Slot											
3	Dulce Benetti	Director	Bryan	Student - Cal State San Marcos	2332 Hosp Way, Unit #108	Carlsbad, CA	92078	760-214-4959 (Cell)	dulcebenetti@gmail.com	Aug-19	2/3	Y
4	Harriet H. Carter	Treasurer		Attorney-at-Law, Self Employed	13190 Calle Caballeros	San Diego, CA	92129	858-603-4631 (cell); 858-216-2162 (Home/Work), 858-216-2164 (Fax)	harriet@harriethcarteresq.com	Aug-13	2/3	Y
5	Andrés Ramos Martin	Director	Michao	Student counselor, Ramona High School	1200 Camino Del Sol,	San Marcos, CA	92069-1856	760-787-4023 (Bus) 760-471-0419 (Res) 619-203-4657 (Cell) 760-787-4060 (B/fax)	andresmartin@gmail.com ; amartin@ramonausd.net	Feb-06	1/3	Y
6	Victor Botello	Secretary	Judy	Retired, NCHS Founder and former Fund Development Director	743 Concerto Gln	Escondido, CA	92025	(Cell) 619-813-3000	vmbotellosr@gmail.com	Mar-16	3/3	Y
7	Craig Jung	Director		Retired Hospital Plan Services Director/Safety Officer	16746 Wikiup Rd	Ramona, CA	92065	760-789-8285 (Res) 619-990-4469 (Cell)	jungtonic@yahoo.com	Oct-14	2/3	Y
8	Adriana Andrés-Paulson	Director	Douglas	Davita Kidney Care 203 East Second Avenue Escondido, CA 92025	605 Stanley Court	Escondido, CA	92026	760-743-4401 (Res) 760-877-1663(Cell) 760-743-4401 (Work)	Adriana.andrespaulson@davita.com	Jun-00	1/3	Y
9	Maria Elena Orozco De La Cruz	Director			1820 Melrose Dr #105	San Marcos, CA	92078	760-736-0180 (Res) ; 760-420-2212 (Cell)	mmercado23@msn.com	Apr-17	3/3	Y
II COMMUNITY REPRESENTATIVES												
10	Russell Riehl	Director	Sunshine	Director Occupational Health & Safety and Bariatrics Palomar Health, Escondido, CA	2415 Shadyridge Ave.	Escondido, CA	92029	(Cell) 760-815-9631 (Work) 858-613-6284	russriehl@outlook.com	Dec-18	2/3	N
11	Open Slot											
12	Carmen Amigon	Vice Chair		Community Housing Works, VP of Classes & Coaching	561 Beverly Place	San Marcos, CA	92078	760-717-4493 (Cell)	resimpactsolutions@gmail.com	16-May	3/3	Y
13	Donald Stump	Chair	Sarah	Executive Director, No. County Lifeline, 200 Michigan Ave. Vista, CA 92084	950 Balboa Avenue	Coronado, CA	92118	619-426-4527 (Res); 619-743-9397 (cell) 760-842-6250 (Bus)	dstump@nclifeline.org ; stump.donald@sbcglobal.net	Feb-13	2/3	N
14	Karen Pearson	Director	Ray	Director of Investor Relations, San Diego North Economic Development Council 950 Boardwalk Suite 303 San Marcos, CA 92078	6500 Easy St.	Carlsbad, CA	92011	(Cell) 818-416-9033	kpearson52@aol.com	Oct-16	1/3	N
15	Mike (Brian) Michaelson	Director	Marg	Retired, IT Professor	13451 Barbados Way	Del Mar, CA	92014	(Res)858-755-5250; (Cell) 858-232-2277	mmichaelson@san.rr.com	Apr-16	3/3	N
16	Open Slot											
17	Open Slot											
Slots #s: 1-9		Must be user of services/Special Population										
Slots #s: 10-17		Community Representatives										

Updated Term Year: 3/25/20
Revised 10/5/2020

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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.**2018****Open to Public Inspection**Department of the Treasury
Internal Revenue Service

A For the 2018 calendar year, or tax year beginning 01/01 , 2018, and ending 12/31 , 20 18																										
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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">C Name of organization North County Health Project Inc</td> <td>D Employer identification number 95-2847102</td> </tr> <tr> <td colspan="2">Doing business as</td> <td rowspan="2">E Telephone number 760-736-6700</td> </tr> <tr> <td>Number and street (or P.O. box if mail is not delivered to street address)</td> <td>Room/suite</td> </tr> <tr> <td colspan="2">150 Valpreda Road</td> <td rowspan="2">G Gross receipts \$ 79,125,813</td> </tr> <tr> <td colspan="2">City or town, state or province, country, and ZIP or foreign postal code San Marcos, CA, 92069</td> </tr> <tr> <td colspan="2">F Name and address of principal officer: Kathy Martinez 150 Valpreda Road, San Marcos, CA 92069</td> <td> H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶ </td> </tr> <tr> <td colspan="3"> 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 </td> </tr> <tr> <td colspan="3"> J Website: ▶ www.nchs-health.org </td> </tr> <tr> <td colspan="2"> K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ </td> <td> L Year of formation: 1973 M State of legal domicile: CA </td> </tr> </table>	C Name of organization North County Health Project Inc		D Employer identification number 95-2847102	Doing business as		E Telephone number 760-736-6700	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	150 Valpreda Road		G Gross receipts \$ 79,125,813	City or town, state or province, country, and ZIP or foreign postal code San Marcos, CA, 92069		F Name and address of principal officer: Kathy Martinez 150 Valpreda Road, San Marcos, CA 92069		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶	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.nchs-health.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: 1973 M State of legal domicile: CA
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Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: North County Health Services' mission is to improve the health status of our diverse communities by providing quality health care that is comprehensive, affordable and culturally sensitive.		
	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	15
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	15
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	955
	6	Total number of volunteers (estimate if necessary)	6	144
	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	Current Year
	9	Program service revenue (Part VIII, line 2g)	18,682,433	13,356,276
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	57,461,207	64,736,576
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	137,645	0
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	926,475	1,032,961
	12		77,207,760	79,125,813
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)	52,630,029	57,375,411
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	5,020	60,000
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 384,150		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	19,367,742	20,705,715
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	72,002,791	78,141,126
19	Revenue less expenses. Subtract line 18 from line 12	5,204,969	984,687	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	76,528,496	79,776,859
	22	Net assets or fund balances. Subtract line 21 from line 20	24,985,786	27,372,792
	22		51,542,710	52,404,067

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		
	Barbara Kennedy, President and CEO				
	Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Jeremy Ware				P00642659
	Firm's name ▶ CHW LLP	Firm's EIN ▶ 47-2251777			
	Firm's address ▶ 7797 N First Street Suite 15, Fresno, CA 93720	Phone no. 559-549-5400			

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form **990** (2018)

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:

North County Health Services' (NCHS) mission is to improve the health status of our diverse communities by providing quality health care that is comprehensive, affordable and culturally sensitive. During the year, NCHS provided 332,569 visits to 67,050 patients.

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 \$ 61,044,134 including grants of \$ 0) (Revenue \$ 0)

North County Health Services' mission is to improve the health status of our diverse communities by providing the quality health care that is comprehensive, affordable and culturally sensitive.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services (Describe in Schedule O.)(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)**4e** Total program service expenses **▶** 61,044,134

Audited Financial Statements

North County Health Project, Inc.
d/b/a North County Health Services

For the Years Ended December 31, 2019 and 2018

**North County Health Project, Inc.
d/b/a North County Health Services
December 31, 2019 and 2018**

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Independent Auditor's Report

Board of Directors
North County Health Project, Inc.
d/b/a North County Health Services
San Marcos, California

Report on the Financial Statements

We have audited the accompanying financial statements of North County Health Project, Inc., d/b/a North County Health Services (the "Center"), which comprise the balance sheets as of December 31, 2019 and 2018 and the related statements of operations and changes in net assets, 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 the 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 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 of 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 North County Health Project, Inc., d/b/a North County Health Services as of December 31, 2019 and 2018 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the Center adopted Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers* (Topic 606), ASU 2018-08, *Not -for-Profit-Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, ASU No. 2016-01, *Financial Instruments*, ASU No. 2016-15, *Statement of Cash Flows* (Topic 230): *Classification of Certain Cash Receipts and Cash Payments*, and ASU No. 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*, - for the year ended December 31, 2019. Our opinion is not modified with respect to this matter.

Other Matters**Supplementary 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 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 May 12, 2020 on our consideration of the 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 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 the Center’s internal control over financial reporting and compliance.

CAW. LLP

Fresno, California
May 12, 2020

North County Health Project, Inc.
d/b/a North County Health Services
Balance Sheets
December 31, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,524,011	\$ 18,480,732
Short-term investments	14,378,555	13,574,752
Patient accounts receivable, net	2,947,984	3,544,574
Grant receivable	1,144,568	765,187
Estimated third-party payor settlements	4,938,625	3,046,141
Other receivables	412,885	546,353
Inventories	489,425	725,054
Prepaid expenses and other current assets	1,300,995	1,563,109
Total current assets	45,137,048	42,245,902
Assets limited as to use:		
Held by trustee	241,635	2,106,784
Deferred compensation	5,101,578	3,859,145
	5,343,213	5,965,929
Property and equipment, at cost:		
Land and land improvements	5,295,598	5,295,598
Buildings and leasehold improvements	39,967,014	37,269,337
Equipment	8,642,058	8,304,268
Construction in progress	1,337,680	2,477,335
	55,242,350	53,346,538
Less accumulated depreciation	(25,100,360)	(22,067,281)
	30,141,990	31,279,257
Other assets:		
Prepaid expenses and other long-term assets	76,656	85,771
Note receivable	200,000	200,000
Total assets	\$ 80,898,907	\$ 79,776,859

See Notes to Financial Statements

North County Health Project, Inc.
d/b/a North County Health Services
Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Liabilities		
Current liabilities		
Current maturities of long-term debt	\$ 1,045,228	\$ 990,904
Accounts payable and other accrued expenses	1,945,179	2,470,437
Accrued payroll and related liabilities	5,038,096	4,967,724
Estimated third-party payor settlements	1,472,565	5,680,193
Deferred revenue	5,250	208,434
Total current liabilities	<u>9,506,318</u>	<u>14,317,692</u>
Deferred compensation	5,101,578	3,859,145
Long-term debt		
Principal amount	8,213,097	9,322,077
Unamortized debt issuance costs	<u>(106,831)</u>	<u>(126,122)</u>
Long-term debt, less unamortized debt issuance costs	8,106,266	9,195,955
Total liabilities	22,714,162	27,372,792
Net Assets		
Net assets without donor restrictions	57,856,735	52,384,067
Net assets with donor restrictions	<u>328,010</u>	<u>20,000</u>
Total liabilities and net assets	<u>\$ 80,898,907</u>	<u>\$ 79,776,859</u>

See Notes to Financial Statements

North County Health Project, Inc.
d/b/a North County Health Services
Statements of Operations
Years Ended December 31, 2019 and 2018

	2019	2018
Change in Net Assets Without Donor Restrictions		
Revenues and other support:		
Patient service revenue, net	\$ 61,191,856	\$ 55,326,803
Capitation revenue	9,122,286	9,409,773
Grant revenue	12,921,203	12,687,009
Contributions	551,324	574,017
Other	918,493	970,797
Net assets released from restriction	412,650	95,250
Total unrestricted revenues, gains and other support	85,117,812	79,063,649
Expenses and losses:		
Salaries and wages	48,431,798	47,715,554
Employee benefits	10,122,245	9,659,857
Purchased services and professional fees	6,978,947	6,427,157
Supplies and other	9,477,989	9,693,360
Rent	741,236	913,274
Insurance	383,090	351,923
Client assistance	48,550	44,188
Depreciation	3,035,916	2,870,373
Interest	423,052	465,440
Total expenses	79,642,823	78,141,126
Excess of revenues over expenses	5,474,989	922,523
Gain (loss) on sale of property and equipment	(2,321)	14,084
Increase/decrease in unrestricted net assets	5,472,668	936,607
Change in Net Assets With Donor Restrictions:		
Contributions	720,660	20,000
Net assets released from donor restriction	(412,650)	(95,250)
Change in net assets with donor restrictions	308,010	(75,250)
Change in net assets	5,780,678	861,357
Net Assets:		
Beginning of year	52,404,067	51,542,710
End of year	\$ 58,184,745	\$ 52,404,067

See Notes to Financial Statements

North County Health Project, Inc.
d/b/a North County Health Services
Statements of Cash Flows
Years Ended December 31, 2019 and 2018

Cash Flows from Operating Activities	2019	2018
Change in net assets	\$ 5,780,678	\$ 861,357
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,035,916	2,870,373
Unrealized (gains) losses	(732,834)	123,330
Gain or loss on disposal of property and equipment	2,321	(14,084)
Amortization of refundable loan	(47,472)	(45,160)
Amortization of debt issuance costs	19,291	19,291
Changes in operating assets and liabilities:		
Patient accounts receivable, net	596,590	532,991
Grants receivable	(379,381)	107,088
Estimated third-party payor settlements	(6,100,112)	909,951
Prepaid expenses and other assets	640,326	(113,172)
Accounts payable and accrued expenses	(525,258)	509,742
Accrued payroll and related liabilities	70,372	4,342
Deferred revenue	(203,184)	94,642
Net cash provided by operating activities	2,157,253	5,860,691
Cash Flows from Investing Activities		
Purchase of investments	(70,969)	-
Sale/maturity of investments	-	1,796,438
Purchase of property and equipment	(1,900,970)	(4,855,375)
Net cash used in investing activities	(1,971,939)	(3,058,937)
Cash Flows from Financing Activities		
Principal payments on long-term debt	(1,007,184)	(971,309)
Net cash provided by (used in) financing activities	(1,007,184)	(971,309)
Increase (decrease) in cash and cash equivalents	(821,870)	1,830,445
Cash, Cash Equivalents and Assets Limited as to Use:		
Beginning of year	20,587,516	18,757,071
End of year	\$ 19,765,646	\$ 20,587,516
Supplemental disclosure of cash flow information:		
Interest paid	\$ 423,052	\$ 465,440
In-kind donations	\$ 79,841	\$ 149,358

See Notes to Financial Statements

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 1: Summary of Significant Accounting Policies

Organization and Operations

North County Health Project, Inc., d/b/a North County Health Services (the “Center”), is a federally qualified health center that works to further its mission to “improve the health status of our diverse communities by providing quality health care that is comprehensive, affordable and culturally sensitive.” The Center primarily earns revenues by providing medical, dental and mental health services through clinics located in Carlsbad, Encinitas, Oceanside, Ramona, San Marcos, and Perris California.

The Center derives its support through grants and contracts with the U.S. Department of Health and Human Services (“DHHS”), US Department of Agriculture (“USDA”), the State of California, the County of San Diego, and various other entities. Additionally, revenues are derived from patient fees and third party charges.

Cash and Cash Equivalents

The Center considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents. At December 31, 2019 and 2018, cash equivalents consisted primarily of checking, savings, and money market accounts. Of the cash balances as of December 31, 2019 and 2018, \$500,000 and \$500,000 respectively was covered by federal depository insurance and \$19,024,011 and \$17,980,732, respectively, was uninsured.

Patient Accounts Receivable

Accounts receivable are recorded at amounts that reflect the consideration to which the Center expects to be entitled in exchange for providing patient care. In evaluating the collectability of patient accounts receivable, the Center regularly analyzes its history and identifies and reviews trends for each of its major payor sources of revenue to estimate appropriate and sufficient implicit and explicit price concessions reflected in patient accounts receivable.

For receivables associated with services provided to patients who have third-party coverage, the Center analyzes contractually due amounts and provides additional implicit and explicit price concessions, if necessary, based upon historical collection history for deductibles and copayments on accounts for which the third-party payer had not yet paid, or for remaining payer balances.

For receivables associated with self-pay patients, which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Center records a significant implicit price concession in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts collected after all reasonable collection efforts have been exhausted is reflected as a reduction in patient accounts receivable.

Inventories

Inventories consist of pharmaceutical, medical and office supplies and are stated at cost. Due to rapid turnover of supplies, cost approximates market value.

**North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018**

Note 1: Summary of Significant Accounting Policies (continued)

Assets Limited as to Use

Assets limited as to use include cash held by trustee related to Center debt agreements, and assets set aside for deferred retirement benefits.

Property and Equipment

Land, building and equipment are carried at cost or estimated fair value at date of acquisition. The Center capitalizes all acquisitions greater than \$5,000 and such assets are depreciated on a straight-line basis over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. Certain property and equipment have been purchased with grant funds received from various federal agencies. Such items, or a portion thereof, may be reclaimed by the federal government if not used to further the grant's objectives. Construction-in-progress is recorded at cost and is capitalized upon completion. Construction-in-progress at December 31, 2019 and 2018 consisted primarily of software implementation costs. As of December 31, 2019, the remaining commitments related to ongoing contracts totaled \$1,337,680. Depreciation is recorded when construction is substantially complete, and the assets are placed in service. Depreciation expense for the year ended December 31, 2019 and 2018 was \$3,035,916 and \$2,870,373, respectively.

Income Taxes

The Center has been recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and taxation Code by the IRS and Franchise Tax Board, respectively. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Center's returns are subject to examination by federal and state taxing authorities generally for three years after they are filed.

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 period. Actual results could differ from those estimates.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, and expenses are classified on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for use and are not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations as net assets released from donor restrictions. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as revenue without donor restrictions.

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 1: Summary of Significant Accounting Policies (continued)

Revenue Recognition

Net patient service revenue is reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payers (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Center bills the patients and third-party payers several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

The Center provides medical, dental, mental health, health education and enabling services to eligible patients at a discounted rate or for a nominal fee, based on eligibility determined by the patient's household size and income.

The Center has agreements with various plans to provide medical services to subscribing MediCal participants. Under the agreements, the Center received monthly capitation payments based on the number of participants, regardless of the services performed by the Center. Capitation payments are recognized as capitation revenue during the period in which the Center is obligated to provide services to participants. The Center also receives interim payments from the Medi-Cal program. These payments are reconciled on an annual basis to ensure the Center ultimately receives the established Medi-Cal payment rate for all visits under these contracts.

Revenue from government grants and contracts restricted for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. Capital grants and contributions consist of grants and contributions or resources that are restricted by the grantors or donors for capital asset purposes-to acquire, construct or renovate capital assets associated with the restricted purpose. Capital grants and contributions are recorded as increases to net assets with donor restrictions when cash is received in advance of acquisition of capital assets. In absence of donor stipulations to the contrary, capital grants and contributions are recorded as revenue during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as deferred revenue.

Contributions are recognized as revenue when they are received or unconditionally pledged. Donor stipulations that limit the use of the donation are recognized as contributions with donor restrictions. When the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions. Absent donor-imposed restrictions, the Center records donated services, materials, and facilities as support without donor restrictions. It is the policy of the Center to encourage contributions. Donated services and facilities are valued at prevailing market rates. Certain immaterial services and facilities contributed to the Center have not been valued or recorded.

Donated Supplies

The Center recognizes donated pharmaceuticals at fair value. Donated pharmaceuticals totaling \$79,841 and \$149,358 are recorded as contribution revenue and supplies and other expense for the years ended December 31, 2019 and 2018, respectively.

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 1: Summary of Significant Accounting Policies (continued)

Excess of Revenues Over Expenses

The statements of operations include the excess of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues over expenses, consistent with industry practice, include permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions and grants to be used for the purpose of acquiring such assets).

Reclassification

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation. These reclassifications had no effect on the changes in net assets.

Subsequent Events

The Center has evaluated all events and transactions that have occurred after December 31, 2019 and through May 12, 2020, the date of the financial statements and notes to financial statement were available to be issued. In recent days, the COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closures and social distancing requirements. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on patients, employees, and vendors all of which are uncertain and cannot be predicted. While the Center expects this matter to negatively impact its operating results, that impact can not be reasonably estimated at this time.

New Accounting Pronouncement:

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments, which requires an entity to: (i) measure equity investments at fair value through net income, with certain exceptions; (ii) present in OCI the changes in instrument-specific credit risk for financial liabilities measured using the fair value option; (iii) present financial assets and financial liabilities by measurement category and form of financial asset; (iv) calculate the fair value of financial instruments for disclosure purposes based on an exit price; and (v) assess a valuation allowance on deferred tax assets related to unrealized losses of available-for-sale debt securities in combination with other deferred tax assets. The update provides an election to subsequently measure certain nonmarketable equity investments at cost less any impairment and adjusted for certain observable price changes. The update also requires a qualitative impairment assessment of such equity investments and amends certain fair value disclosure requirements. The adoption of ASU 2016-01 is effective for the Center beginning January 1, 2019. As a result of the implementation, unrealized gains and losses in equities and trading debt securities are included in other revenue. Excess of revenues over expense for the year ended December 31, 2018 decreased from \$1,045,853 to \$922,523. Net assets were not affected by the implementation.

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which requires the statement of cash flows to explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The adoption of ASU 2016-18 is effective for the Center beginning January 1, 2019.

North County Health Project, Inc.
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Notes to Financial Statements
December 31, 2019 and 2018

Note 1: Summary of Significant Accounting Policies (continued)

In May 2014, the FASB issued Accounting Standards Update "ASU" No. 2014-09, Revenue from Contracts with Customers (Topic 606), which provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services by identifying the contract(s) with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract, and recognizing revenue when (or as) the entity satisfied a performance obligation. In August 2015, the FASB issued ASU No. 2015-14, Deferral of the Effective Date, which deferred the effective date of ASU 2014-09 for all entities by one year. In March 2016, the FASB issued ASU No. 2016-08, Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarifies the implementation guidance on principal versus agent considerations in ASU 2014-09. In April 2016, the FASB issued ASU No. 2016-10, Identifying Performance Obligations and Licensing, which clarifies the implementation guidance on identifying performance obligations and the licensing implementation guidance in ASU 2014-09, while retaining the related principles for those areas. In May 2016, the FASB issued ASU No. 2016-12, Narrow-Scope Improvements and Practical Expedients, which provides narrow scope improvements and practical expedients to ASU 2014-09.

The Center adopted the provisions of ASU 2014-09, ASU 2015-14, ASU 2016-08, ASU 2016-10, and ASU 2016-12 using the modified retrospective method applied to all contracts existing as of January 1, 2019. Prior to the adoption of ASU 2014-09, a significant portion of the provision and allowance for uncollectible accounts was related to uninsured patients and expected uncollectible deductibles and copayments on accounts which the third-party payor had not yet paid. Under ASU 2014-09, the estimated uncollectible amounts due from these patients are generally considered implicit price concessions that represent a direct reduction to net patient service revenue and a corresponding reduction to patient accounts receivable. The adoption of ASU 2014-09 also implemented additional disclosure requirements.

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit-Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions. ASU 2018-08 assists entities in (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. The Center adopted ASU 2018-08 during the year ended December 31, 2019, using the modified prospective basis. Upon adoption, many of the Center's grant contracts that had previously been recorded as deferred revenue were recognized as contributions with donor restrictions.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, which provides guidance on eight specific cash-flow issues including: debt repayment or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after a business combination, proceeds from settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and separately identifiable cash flows and application of the predominance principle. The adoption of ASU 2016-15 is effective for the Center beginning January 1, 2019.

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 2: Investments

Investments include the following at December 31, 2019 and 2018:

	2019	2018
Cash and cash equivalents	\$ 57,736	\$ 24,613
CD	2,800,480	3,150,156
Money market	-	583,844
Mutual funds	1,390,165	1,183,607
US equities	1,028,592	958,678
International equities	476,141	364,434
Inflation-protected securities	144,151	118,489
Commercial paper	7,622,673	6,465,578
Fixed income funds	858,617	725,353
Total	<u>\$ 14,378,555</u>	<u>\$ 13,574,752</u>

Income from investments consists of the following for the years ended December 31, 2019 and 2018:

	2019	2018
Unrealized gains (losses)	\$ 732,834	\$ (123,330)
Realized gains	-	424,292
Interest income	6,690	6,092
Dividends	69,867	64,963
Total	<u>\$ 809,391</u>	<u>\$ 372,017</u>

Note 3: Grant Revenue

The Center is the recipient of Consolidated Health Center (CHC) grants from the U.S. Department of Health and Human Services. The general purpose of the grants is to provide expanded health care service delivery for residents of San Diego and Riverside Counties, California. Terms of the grants generally provide for funding of the Center's operations based on an approved budget. During the years ended December 31, 2019 and 2018, the Center recognized \$9,548,334 and \$9,236,397 in CHC grant revenue, respectively. Grant revenue is recognized as qualifying expenditures are incurred over the grant period. Approximately 74% and 73% of grant revenues are from the CHC grants for the years ended December 31, 2019 and 2018, respectively.

In addition to the CHC grants, the Center receives financial support from other federal, state and private sources. Generally, such support requires compliance with terms and conditions specified in grant agreements or award letters and must be renewed on an annual basis. Cash received in exchange transactions in excess of revenue recognized is recorded as deferred revenue.

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 4: Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurements and Disclosures*, requires the fair value of financial assets and liabilities to be determined using a specific fair-value hierarchy. In accordance with ASC 820, the following table presents the Center's fair value hierarchy for its financial assets measured at fair value on a recurring basis at December 31, 2019 and 2018:

	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
December 31, 2019:				
Fixed income funds	\$ 858,617	\$ -	\$ 858,617	\$ -
Mutual funds	1,390,165	-	1,390,165	-
Inflation- protected securities	144,151	-	144,151	-
Domestic equities	1,028,592	1,028,592	-	-
International equities	476,141	476,141	-	-
Total	<u>\$ 3,897,666</u>	<u>\$ 1,504,733</u>	<u>\$ 2,392,933</u>	<u>\$ -</u>
December 31, 2018:				
Fixed income funds	\$ 725,353	\$ -	\$ 725,353	\$ -
Mutual funds	1,183,607	-	1,183,607	-
Inflation- protected securities	118,489	-	118,489	-
Domestic equities	958,678	958,678	-	-
International equities	364,434	364,434	-	-
Securities	4,670,206	-	4,670,206	-
Total	<u>\$ 8,020,767</u>	<u>\$1,323,112</u>	<u>\$ 6,697,655</u>	<u>\$ -</u>

The carrying amounts reported in the balance sheets for other financial assets and liabilities that are not measured at fair value on a recurring basis including patient accounts receivable, grant receivables, other receivable, estimated third-party payor settlements, accounts payable and other accrued expenses, accrued payroll and related liabilities, deferred revenue, and long-term debt approximate fair value.

Note 5: Patient Service Revenue, Net

Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Center believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Center has elected to apply the optional exemption provided in FASB ASC Topic 606-10-50-14a and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

**North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018**

Note 5: Net Patient Service Revenue (continued)

The Center determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Center's sliding fee policy, and implicit price concessions provided to uninsured patients. The Center determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Center determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Effective with the adoption of ASU 2014-09 on January 1, 2019, for changes in credit issues not assessed at the date of service, such as a payor files for bankruptcy or a patient defaults on a payment plan, the Center recognizes these write-offs as bad debt expense, which is presented on the accompanying statements of operations and changes in net assets as a component of other expenses.

The Center is approved as a Federally Qualified Health Center ("FQHC") for both Medicare and Medi-Cal reimbursement purposes. The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. These payment arrangements include:

Medicare: Covered services rendered to Medicare program beneficiaries are paid based on a prospective payment system (PPS). Medicare payment under the FQHC PPS are 80% of the lesser of the health center's actual charge or the applicable PPS rate (patient coinsurance will be 20% of the lesser of the health center's actual charge or the applicable PPS rate). Accordingly, to the extent a health center's charge is below the applicable PPS rate, Medicare FQHC reimbursement can be limited.

Medi-Cal: Covered services rendered to Medi-Cal beneficiaries are paid under a Prospective Payment System, using rates established by the Center's "Base Years" - fiscal years ended December 31, 2000 and 1999 cost reports filed under the previous cost-based reimbursement system. These rates are adjusted annually according to changes in the Medicare Economic Index and any approved changes in the Center's scope of service. The Center is required to file a payment reconciliation report with the state. In the opinion of management, any reconciliation settlement of the payment reconciliation will not materially affect the financial statements of the Center.

Other: Payments for services rendered to those payors other than Medicare or Medi-Cal are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

As of December 31, the following table reflects the net patient service revenue including capitation by major payor groups:

	2019	2018
Medicare	\$ 3,474,151	\$ 2,994,621
Medi-Cal	60,971,019	56,497,484
Other third-party payors	3,348,799	3,099,445
Private pay	2,520,173	2,145,026
Net patient service revenue	<u>\$ 70,314,142</u>	<u>\$ 64,736,576</u>

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 5: Net Patient Service Revenue (continued)

Laws and regulations concerning government programs, including Medicare and Medi-Cal, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Center's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Center. In addition, the contracts the Center has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Center's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

The Center has recorded an estimated third-party payor receivable of \$4,938,625 and \$3,046,141 as of December 31, 2019 and 2018, respectively, and estimated third-party payor liabilities of \$1,472,565 and \$5,680,193 as of December 31, 2019 and 2018, respectively. These balances comprise estimated settlements due to PPS Reconciliation Requests as well as Rate Setting Cost Reports and Change in Scope of Service Requests. Management periodically evaluates estimated third-party payor settlements based on the current information available and believes the final settlements will not materially affect the financial statements of the Center.

Note 6: Concentrations of Credit Risk

Financial instruments potentially subjecting the Center to concentrations of credit risk consist primarily of bank deposits in excess of FDIC limits. Management believes, however, that the risk of loss is minimal due to the high financial quality of the banks. The Center grants credit without collateral to its patients, most of who are area residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at December 31, 2019 and 2018, was:

	<u>2019</u>	<u>2018</u>
Medicare	2%	6%
Medi-Cal	72%	27%
Other third-party payers	26%	60%
Private Pay	0%	7%
	<u>100%</u>	<u>100%</u>

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 7: Deferred Revenue

Deferred grant revenue consists of the following at December 31, 2019 and 2018:

	2019	2018
Walgreens – American Cancer Society	\$ -	\$ 7,702
Blue Shield of California	-	30,000
Parker Foundation	-	20,000
Other	5,250	150,732
	<u>\$ 5,250</u>	<u>\$ 208,434</u>

Note 8: Net Assets with Donor Restrictions

Net assets with donor restrictions were comprised of the following programs at December 31, 2019 and 2018:

	2019	2018
Tides Foundation	\$ 28,250	\$ -
Ramona Clinic	-	20,000
MAT (Access Points)	36,622	-
Direct Relief – Health Network Development	100,000	-
Health Net Workforce Program	100,000	-
Other	63,138	-
	<u>\$ 328,010</u>	<u>\$ 20,000</u>

Under the previous guidance these grants were recorded as deferred revenue. Under ASU No. 2018-08, these grants have been determined to be restricted contributions and have been recorded as net assets with donor restrictions. As net assets with donor restrictions are expended, the net assets released from restrictions are recognized as revenue without donor restrictions. As of December 31, 2019, and 2018, net assets released from donor restrictions consist of the following:

	2019	2018
Tides Foundation	\$ 9,576	\$ -
Blue Shield of California Wellness Program	30,000	-
Kaiser Permanente	25,000	-
Ramona Clinic	20,000	-
MAT (Access Points)	38,378	-
Health Net	36,400	-
Price Philanthropies Foundation	50,000	50,000
Other	203,296	45,250
	<u>\$ 412,650</u>	<u>\$ 95,250</u>

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 9: Long-Term Debt

	2019	2018
The Center entered into a loan agreement with City National Bank on December 1, 2010 in the amount of \$4,500,000. These funds were used to refinance existing debt in January 2011 and to purchase property that was formerly being leased. This agreement consists of two loans in the amounts of \$3,500,000 and \$1,000,000. Series A loan is in the amount of \$3,500,000 and bears an interest rate of 4.32% with a maturity date of January 1, 2026. The Series B loan in the amount of \$1,000,000 and bears an interest rate of 4.1% with a maturity date of January 1, 2021. Collateral for these loans include real property.	\$ 1,828,838	\$ 2,181,912
The Center entered into a loan agreement with City National Bank on July 1, 2015 in the amount of \$3,000,000 as Series C of the above loan. These funds were used for continued improvements to the Mission Mesa clinic site. The loan bears interest at a fixed rate of 3.94% per annum with a maturity date of June 1, 2024. Collateral for this loan includes real property.	1,524,037	1,821,164
The Center entered into a loan agreement with the City of Carlsbad on February 15, 2012 in the amount of \$1,130,000. These funds were allocated from a Community Block Development Grant (CDBG) as a no interest, deferred, and forgivable loan to be used for the acquisition of property for a health center to serve low income households. The loan has a term of 20 years and is forgivable upon the expiration of the term of the loan if the property has been maintained and operated as a health center consistent with the conditions of the loan.	814,457	861,929
The Center entered into a loan agreement with City National Bank on February 1, 2016 in the amount of \$4,598,702. These funds were used to refinance a maturing New Market Tax Credit loan. The loan bears an interest rate of 3.91% with a maturity date of March 1, 2031. Collateral for this loan includes real property.	3,681,126	3,939,248
The Center entered into a loan agreement with City National Bank on February 1, 2016 in the amount of \$1,761,298. These funds were used to purchase property for the Ramona clinic. The loan bears an interest rate of 3.91% with a maturity date of March 1, 2031. Collateral for this loan includes real property.	1,409,867	1,508,728
Total long term debt	9,258,325	10,312,981
Less: current portion	(1,045,228)	(990,904)
	<u>\$ 8,213,097</u>	<u>\$ 9,322,077</u>

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 9: Long-Term Debt (Continued)

Interest expense for the years ended December 31, 2019 and 2018 was \$423,052 and \$465,440, respectively. Future principal payments are as follows for the years ended December 31:

Year	Principal
2020	\$ 1,045,228
2021	975,404
2022	1,005,217
2023	1,046,854
2024	936,865
Thereafter	4,248,757
Total	<u>\$ 9,258,325</u>

The Center was in compliance with all debt covenant requirements as of December 31, 2019.

Note 10: Line-of-Credit

The Center had a \$2,000,000 line-of-credit which expires July 1, 2020. The line of credit was collateralized by receivables. At December 31, 2019 and 2018, there was no balance outstanding on the line-of-credit.

Note 11: Commitments and Contingencies

Pension Plan

The Center has a 403(b) defined contribution pension plan covering substantially all employees who meet the eligibility requirements. The Center provides a discretionary match of eligible employee contributions to the plan up to 4% of employees' salaries. Pension expense related to the 403(b) defined contribution pension plan was \$1,127,966 and \$1,120,950 for the years ended December 31, 2019 and 2018, respectively.

The Center provides a 457(b) deferred compensation plan for certain providers and executive management as a retention benefit. Under the terms of this plan, the deferred compensation liability and related assets limited as to use are recorded by the Center and are subject to the general creditors of the Center. Expense related to the 457(b) deferred compensation plan was \$651,796 and \$592,754 for the years ended December 31, 2019 and 2018, respectively.

Operating Leases

Non-cancelable operating leases for the Center's facilities expire in various years through 2024. Future minimum lease payments are as follows: \$515,010 in 2020; \$343,744 in 2021, \$322,420 in 2022, \$163,086 in 2023, and \$174,311 in 2024. Rent expense for the years ended December 31, 2019 and 2018 was \$741,236 and \$913,274, respectively.

North County Health Project, Inc.
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Notes to Financial Statements
December 31, 2019 and 2018

Note 11: Commitments and Contingencies (Continued)

Malpractice Claims

The U.S. Department of Health and Human Services has deemed the Center and its practicing physicians covered under the Federal Tort Claims Act (FTCA) for damage for personal injury, including death, resulting from the performance of medical, surgical, dental and related functions. FTCA coverage is comparable to an occurrence policy without a monetary cap. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Center's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Contingencies

The Center is the defendant in litigation claiming negligent hiring, supervision, and retention practices among other claims. While the Center believes it has meritorious defenses against the suits, the Center has estimated a potential liability of approximately \$500,000.

Note 12 - Information Regarding Liquidity and Availability of Resources

The Center regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Center has various sources of liquidity at its disposal, including cash and cash equivalents, investments, various receivables, and a line of credit. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing activities of providing healthcare-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The Center strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects the Center's financial assets as of December 31, 2019 and 2018, reduced by amounts that are not available to meet general expenditures within one year of the balance sheet date.

	2019	2018
Cash and cash equivalents	\$ 19,524,011	\$ 18,480,732
Short-term investments	14,378,555	13,574,752
Patient accounts receivable, net	2,947,984	3,544,574
Grant receivable	1,144,568	765,187
Other receivable	412,885	546,353
Total financial assets	38,408,003	36,911,598
Deferred revenue	(5,250)	(208,434)
Restricted by donors	(328,010)	(20,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 38,074,743</u>	<u>\$ 36,683,164</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Center operates with a balanced budget and anticipates collecting sufficient patient service revenue to cover general expenditures not covered by grants or donor-restricted resources. The Center also has a line of credit available to meet short-term needs. See note 10 for information about this arrangement.

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Financial Statements
December 31, 2019 and 2018

Note 13: Functional Expenses

The Center provides healthcare services to residents within its service area. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Expenses for the year ended December 31, 2019 include:

	Healthcare services	General and administrative	Fundraising	Total
Salaries and wages	\$ 40,183,186	\$ 8,080,539	\$ 168,073	\$ 48,431,798
Employee benefits	8,788,662	1,296,578	37,005	10,122,245
Purchased services and professional fees	4,609,916	2,341,314	27,717	6,978,947
Supplies and other	7,593,969	1,680,129	203,891	9,477,989
Rent	658,561	82,675	-	741,236
Insurance	250,417	132,673	-	383,090
Client assistance	46,417	2,133	-	48,550
Depreciation	2,497,195	535,864	2,857	3,035,916
Interest	393,229	29,360	463	423,052
Total	<u>\$ 65,021,552</u>	<u>\$ 14,181,265</u>	<u>\$ 440,006</u>	<u>\$ 79,642,823</u>

Expenses for the year ended December 31, 2018 include:

	Healthcare services	General and administrative	Fundraising	Total
Salaries and wages	\$ 39,640,124	\$ 7,937,913	\$ 137,517	\$ 47,715,554
Employee benefits	8,392,603	1,238,215	29,039	9,659,857
Purchased services and professional fees	4,646,386	1,717,049	63,722	6,427,157
Supplies and other	8,054,047	1,488,197	151,116	9,693,360
Rent	835,522	77,752	-	913,274
Insurance	228,871	123,052	-	351,923
Client assistance	31,360	12,828	-	44,188
Depreciation	2,271,877	596,056	2,440	2,870,373
Interest	432,595	32,529	316	465,440
Total	<u>\$ 64,533,385</u>	<u>\$ 13,223,591</u>	<u>\$ 384,150</u>	<u>\$ 78,141,126</u>

SINGLE AUDIT REPORTS

**North County Health Project, Inc.
d/b/a North County Health Services
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019**

Federal Grant / Program Title	Federal CFDA Number	Pass-Through Identification Number	Expenditures
<u>U.S. Department of Health and Human Services:</u>			
Direct:			
Health Center Program Cluster	*93.224	N/A	\$ 9,548,334
			<u>9,548,334</u>
Pass through:			
<u>Health Quality Partners</u>			
Connecting Kids to Coverage CHIPRA	93.767	1Y1CMS331690-01-00	22,294
<u>CSUSM</u>			
Homie Up	93.910	92270-85066	27,428
Total U.S. Department of Health and Human Services			<u>9,598,056</u>
<u>U.S. Department of Housing and Urban Development (HUD)</u>			
Pass through:			
<u>City of Carlsbad</u>			
CDBG Entitlement Grant Cluster	*14.218	2011-2012 CDBG	861,929
<u>U.S. Department of Agriculture:</u>			
Pass through:			
<u>California Department of Health Care Services</u>			
WIC Peer Counseling Breastfeeding	*10.557	15-10097/19-101167	176,898
WIC Farmers Nutrition Market Program	*10.557	15-10097/19-101167	1,443
Supplemental Nutrition Program for Woman, Infants and Children	*10.557	15-10097/19-101167	2,287,004
WIC Regional Breastfeeding	*10.557	15-10097/19-101167	131,486
WIC Vendor Liaison	*10.557	15-10097/19-101167	37,564
WIC-Child Retention Project	*10.557	15-10097	74,841
<u>San Diego Hunger Coalition</u>			
SNAP Cluster - CalFresh Outreach Program	10.561	18-7013	32,360
Total U.S. Department of Agriculture			<u>2,741,596</u>
Total Expenditures of Federal Awards			<u>\$ 13,201,581</u>

*Major Programs

North County Health Project, Inc.
d/b/a North County Health Services
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) summarizes the expenditures of North County Health Project, Inc., d/b/a North County Health Services (the “Center”) under programs of the federal government for the year ended December 31, 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 the Center, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows for the Center.

Note B: 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Center elected not to use the de minimis cost rate because it has a negotiated indirect cost rate in place.

**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***

Independent Auditor's Report

Board of Directors
North County Health Project, Inc.
d/b/a North County Health Services
San Marcos, California

We have audited, 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, the financial statements of North County Health Project, Inc., d/b/a North County Health Services (the "Center"), which comprise the balance sheets as of December 31, 2019 and 2018 and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Center'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 North County Health Project, Inc.'s ., d/b/a North County Health Services 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CAW. LLP

Fresno, California
May 12, 2020

**Report on Compliance For Each Major Federal Program
And Report on Internal Control Over Compliance
Required by the Uniform Guidance**Independent Auditor's Report

Board of Directors
North County Health Project, Inc.
d/b/a North County Health Services
San Marcos, California

Report on Compliance for Each Major Federal Program

We have audited North County Health Project, Inc., d/b/a North County Health Services (the "Center") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended December 31, 2019. The Center'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 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 the 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 the 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 the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 December 31, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal program is not modified with respect to these matters.

The Center's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of North County Health Project, Inc., d/b/a North County Health Services 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 the 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 the 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

The Center's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

CAW. LLP

Fresno, California

May 12, 2020

**North County Health Project, Inc.
d/b/a North County Health Services
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified	
Internal Control over financial reporting:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> X </u> Yes	<u> </u> 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)?	<u> X </u> Yes	<u> </u> No

Major Programs

CFDA Number

Community Health Cluster	93.224
WIC Peer Counseling Breastfeeding	10.557
WIC Farmers Nutrition Market Program	10.557
Supplemental Nutrition Program for Woman, Infants and Children	10.557
WIC Regional Breastfeeding	10.557
WIC Vendor Liaison	10.557
WIC-Child Retention Project	10.557
CDBG Funding	14.218

Dollar threshold used to distinguish Types A and B programs	\$ 750,000
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Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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**North County Health Project, Inc.
d/b/a North County Health Services
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019**

II. Current Year Audit Findings and Questioned Costs

Financial Statement Findings:

None Reported

Federal Award Findings And Questioned Costs:

2019-001 Sliding Fee Discount Determination

CFDA Number: 93.224

Program: Community Health Center Cluster

Criteria: Federal grant compliance provisions require that the Center correctly identify a patient's ability to pay and that the rates for services be adjusted accordingly based on the sliding fee schedule. The Center is required to follow its sliding fee policy when providing discounts to eligible patients.

Finding/ Condition: In our sample of tested items, patient information was inadequate to determine the proper sliding fee discount or patients were given incorrect discounts based on information provided.

Questioned Cost: None.

Effect: Lack of strict enforcement of the policy of sliding fee eligibility determination and compliance may have resulted in the Center providing discounted services greater to or less than the appropriate amounts to beneficiaries.

Cause: Inadequate understanding of the sliding fee program requirements and Center policies by employees involved in sliding fee determination and billing.

Recommendation: . Training should be provided to employees on the sliding fee program requirements.

Views of Responsible Officials and Corrective Action Plan: The Center agrees with the finding and will implement additional controls to ensure that this does not recur. Please refer to the corrective action plan on page 31.

III. Prior Year Findings and Questioned Costs:

None Reported

**North County Health Project, Inc.
d/b/a North County Health Services
Corrective Action Plan
Year Ended December 31, 2019**

2019-001 Sliding Fee Discount Determination

Name of Contact Person: Kathy Martinez, Chief Financial Officer

Corrective Action: The Center agrees with the recommendation and has taken steps to correct these errors by implementing additional controls to test sliding fee discount application and provide training where necessary

Proposed Completion Date: June 30, 2020

SAN MARCOS COMMUNITY FOUNDATION
Grant Award History FY 2020-2021

Name	Amount	Grant Type	Date	Name of Project	Summary of Project
McAlister NIWARC	\$1,500.00	Mini	8/18/2020	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	8/18/2020	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	8/18/2020	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	8/18/2020	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	8/18/2020	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	8/18/2020	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 Awarded FY 20/21	\$23,000				

Grant Requests for November 2020

Nonprofit	Program	# San Marcos Residents Served	Summary	Request	Recommend
			Mini-grants		
Classics 4 Kids	Zoom M&G with musicians	720	Primary focus on low income/Title 1 schools. 24 Meet the Musician program with administrative help to coordinate.	\$1,500	\$1,000
The San Marcos Promise	Virtual platform for students and events	2,000	High school and middle school students readying themselves for college	\$1,500	\$1,500
			Regular Grants		
Kids College	Fortissimo Orchestral Musical Program	300	Instructors for 3-8th grade low-income San Marcos students learning string instruments in after school program. 100 students, 200 adults	\$5,000	\$1,000
CSUSM	Minority outreach	100	Fund bi-lingual staff to reach out to minority HS students to help them with college app process.	\$10,000	\$2,000
The Foundation for Senior Wellbeing	Staff	250	Support operating expenses and expanded outreach and community awareness efforts.	\$5,000	\$1,500
North County LGBTQ Resource Center	Support SM Project Youth	2,885	Project Youth activities affect SM school district, Palomar Col & CSUSM. Include mental health svcs & Leadership project, Fund LGBTQ Competency training for educators, 1st responders, Youth org.	\$10,000	\$2,000
Neighborhood Healthcare	Security Communication	1,830	2-way radios and ear-hooks for more secure and distanced communication on site and between sites.	\$4,250	\$1,000

Boys & Girls Club San Marcos	Distance Learning Hub - 2nd site	88	Only center open 7 a.m. to 6 p.m. M-F to support 1st-12th graders with academic help and childcare. Grant to support opening a second site at The Quad for 30-40 children in currently unoccupied space.	\$10,000	\$1,500
San Diego County Medical Society Foundation dba Champions for Health	Project Access San Diego	21	Organizing of volunteer specialty medical providers with low-income needy patients to provide vital care. Grant toward salaries of those organizing the care.	\$10,000	\$1,000
Fraternity House	Partial funding for <i>Dignity Project</i>	4 to 15	fund salary for Activities Director to take residents to appts, shopping, quality of life, and life skills development. And certain program costs and vehicle ins not otherwise covered.	\$5,000	\$2,500
Just in Time for Foster Youth	College Bound FY 20	60	Supportive services for former foster youth going to college.	\$5,000	\$1,000
Jacob & Cushman San Diego Food Bank	Fresh produce for North County families in need	5,000	Procurement of fresh produce at 13 cents per pound (highly leveraged) to supplement other sources and meet increased needs due to Covid-19 through 200 nonprofit partners.	\$10,000	\$1,500
The Elizabeth Hospice	Grief support services	235	Various grief support groups for all ages in San Marcos.	\$10,000	\$500
Moonlight Cultural Foundation	Moonlight Youth Theater	67	Support MYT, including coordination and teaching staff, production costs, scholarships.	\$5,000	\$0
North County Health Project now TruCare	New pc of equipment	1,215	Purchase additional pediatric dental x-ray sensor to allow more patients to be seen quickly	\$5,000	\$2,000
			Totals	\$94,250	\$20,000

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**

-- FALL 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 thirteen (13) proposals were received by the Foundation prior to the grant submittal deadline established for the 2020 Fall 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>
Kids College	\$1,000.00
CSUSM	\$2,000.00
The Foundation for Senior Wellbeing	\$1,500.00
North County LGBTQ Resource Center	\$2,000.00
Neighborhood Healthcare	\$1,000.00
Boys & Girls Club San Marcos	\$1,500.00
San Diego County Medical Society Foundation	\$1,000.00
Fraternity House	\$2,500.00
Just in Time for Foster Youth	\$1,000.00
Jacob & Cushman San Diego Food Bank	\$1,500.00
The Elizabeth Hospice	\$500.00
North County Health Project Now TruCare	\$2,000.00
Moonlight Cultural Foundation	\$0.00

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 17th day of November, 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