
SAN MARCOS COMMUNITY FOUNDATION GRANT FUNDING SUBCOMMITTEE MEETING AGENDA

Wednesday, April 7, 2021 – 6:00 PM

Online

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. Click on the following link for the joining the meeting - <https://global.gotomeeting.com/join/384986277> or call [1 877 309 2073](tel:18773092073) using access code 384-986-277

Public Comment: To submit a public comment at the San Marcos Community Foundation 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.

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

OLD BUSINESS

1. GRANT AWARD HISTORY

Recommendation: **NOTE & FILE**

NEW BUSINESS

2. Mini-Grant Application Proposals – Consider two proposals from non-profit organizations requesting Foundation funds.

- a. **Canine Companions for Independence** - \$1,454 request for Lighting Improvement. **CONSIDER/APPROVE**
- b. **REINS Therapeutic Horsemanship Program** - \$1,500 request for San Marcos Student Health Development Scholarships. **CONSIDER/APPROVE**

3. REGULAR GRANT APPLICATION PROPOSALS – Consider two proposals from non-profit organizations requesting Foundation funds.

- a. **Feeding San Diego** - \$10,000 request for Mobile Pantry in San Marcos. **CONSIDER/Recommend**
- b. **Palomar College Foundation** - \$10,000 request for Covid-19 Equity Program for San Marcos Students in Higher Education. **CONSIDER/Recommend**

4. Arts and Culture Application Proposals – Consider one proposal from non-profit organization requesting funds.

- a. **Art Animates Life** - \$1,700 request for Live entertainment for local enjoyment. **CONSIDER/Recommend**

CONSENT CALENDAR

WAIVER OF TEXT – This item is to waive the reading of the text of all Resolutions and Policies adopted at this meeting. Resolutions and Policies shall be adopted by title.

Recommendation: **WAIVE**

ORAL COMMUNICATIONS – Speakers are limited to five minutes. Please complete a “Request to Speak” form and place in basket provided. According to Board policy, FIFTEEN minutes has been established during this portion of the Agenda to allow citizens to speak on any matter NOT listed. The Board is prohibited by state law from taking action on items NOT listed on the Agenda. However, they may refer the matter for a future report and recommendation.

ITEMS FOR THE GOOD OF THE ORDER

NEXT MEETING DATE – The next meeting of the Grant Funding Subcommittee is scheduled for Wednesday, May 12, 2021. The next meeting of the SMCF Board of Directors is scheduled for Tuesday, May 18, 2021.

MISCELLANEOUS

ADJOURNMENT

AFFIDAVIT OF POSTING

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

I, Phil Scollick, 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 Sunday, April 4, 2021 prior to 5:30 pm.



Phil Scollick, Recording Secretary – SMCF

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 | 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 | 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 | 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 | 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 | 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 | 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. |
| Classic 4 Kids | \$1,000 | Mini | 11/17/2020 | Zoom M&G with Musicians | Funds will be used to fund low income/title 1 schools, administrative help to coordinate programs. Will serve 720 residents. |
| The San Marcos Promise | \$1,500 | Mini | 11/17/2020 | Virtual Platform for students and events | Funds used to help high and middle school students with preparing for college. Will serve 2,000 residents. |
| Kids College | \$1,000 | Regular | 11/17/2020 | Fortissimo Orchestral Musical Program | Funds will be used to fund instructors for 3-8th grade low income San Marcos students learning string instruments in an after school program. Will serve 300 residents. |
| The Foundation for Senior Wellbeing | \$1,500 | Regular | 11/17/2020 | Staff Program | Funds will be used to support operating expenses and expanded outreach and community awareness efforts. Will serve 250 residents. |
| North County LGBTQ Resource Center | \$2,000 | Regular | 11/17/2020 | Support SM Project Youth | Funds will be used for youth project activities that affect SM school district, Palomar College & CSUSM. The activities include mental health services, leadership projects, to fund competency training for educators, 1st responders and youth organizers. Will serve 2,885 residents. |
| Neighborhood Healthcare | \$1,000 | Regular | 11/17/2020 | Security Communication | Funds will be used for 2-way radios and ear-hooks for more secure and distances communication on site and between sites. Will serve 1,830 residents. |
| Boys & Girls Club San Marcos | \$1,500 | Regular | 11/17/2020 | Distance Learning Hub (2nd site) | Funds will help open a second site at the Quad for 30-40 children who need academic help and childcare. Will serve 88 residents. |
| San Diego County Medical Society Foundation dba Champions for Health | \$1,000 | Regular | 11/17/2020 | Project Access San Diego | Funds will help organize volunteer specialty medical providers with low-income patients to provide vital care, grant will be used toward the salaries of those organizing the care. Will serve 21 residents. |
| Fraternity House | \$2,500 | Regular | 11/17/2020 | Partial Funding for Dignity Project | Funds will pay for activities director to take residents to appointments, shopping, quality of life and life skills development. Certain program costs and vehicle insurance costs. Will serve 15 residents. |
| Just in Time for Foster Youth | \$1,000 | Regular | 11/17/2020 | College Bound FY 20 | Funds will be used to pay for supportive service for former foster youth going to college. Will serve 60 residents. |
| Jacob & Cushman San Diego Food Bank | \$1,500 | Regular | 11/17/2020 | Fresh Produce for North County Families | Funds will help with the procurement of fresh produce at 13 cents per pound to supplement other sources and meet the increased needs due to COVID-19 through 200 nonprofit partners. Will serve 5,000 residents. |
| The Elizabeth Hospice | \$500 | Regular | 11/17/2020 | Grief Support Services | Funds will help various grief support group for all ages in San Marcos. Will serve 235 residents. |
| North County Health Project (now TruCare) | \$2,000 | Regular | 11/17/2020 | New Equipment | Funds will help purchase additional pediatric dental x-ray sensor to allow more patients to be seen quickly. Will serve 1,215 residents. |
| American Academy of Pediatrics - California Chapter 3 (AAP-CA3) | \$1,500 | Mini | 2/16/2021 | Reach Out and Read San Diego (RORSd) | 300 |
| Palomar Family Counseling Service inc. | \$1,260 | Mini | 2/16/2021 | Technology Upgrades (Adobe License) | 50 |
| Brother Benno Foundation | \$5,500 | Regular | 2/16/2021 | Brother Benno Appliances | 45/day |
| Classics 4 Kids | \$2,500 | Regular | 2/16/2021 | Equal Access to Music Education in San Marcos | 744 |
| Urban Corps of San Diego County | \$5,000 | Regular | 2/16/2021 | Urban Corps North County Center Building Sign | 20 |
| Total Grants Awarded FY 20/21 | \$56,760 | | | | |

Grant Requests for April 2021

| Nonprofit | Program | # San Marcos Residents Served | Summary | Lead | Request | Recommend | Granted |
|--|---|-------------------------------|--|------|-----------------|------------|------------|
| | | | Mini-grants | | | | |
| Canine Companions for Independence | Lighting Improvement | 24 | To improve lighting in public restroom used by clients, and improve lighting in rooms used by clients during their two weeks of training with their service animals. | | \$1,454 | | |
| REINS Therapeutic Horsemanship Program | San Marcos Student Health Development Scholarships | 21 | To provide scholarships for children with disabilities in lower-income families seeking therapeutic horsemanship. | | \$1,500 | | |
| | | | | | | | |
| | | | Regular Grants | | | | |
| Feeding San Diego | Mobile Pantry in San Marcos | 1,230 | To provide nutritious food to low-income people in San Marcos at community locations twice per month, avg. 27 lbs. each time. 55% of food is fresh produce. San Marcos is the largest of 17 mobile pantry distribution sites, with a 50% increase of need due to Covid-19. | | \$10,000 | | |
| Palomar College Foundation | Covid-19 Equity Program for San Marcos Students in Higher Education | 100 | Support of low-income students to study remotely due to Covid19. Funds ffor laptops, internet connections, and other tech. | | \$10,000 | | |
| | | | | | | | |
| | | | | | | | |
| | | | Arts and Culture Grants | | | | |
| Art Animates Life | Live entertainment for local enjoyment | | To support professionally produced PSAs in support of San Marcos nonprofits, and a December 2021 production of Charles Dickens' It's a Wonderful Life. All with volunteer supporters | | \$1,700 | | |
| | | | | | | | |
| | | | Totals | | \$24,654 | \$0 | \$0 |

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



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

| | | |
|---|--|------------------------------------|
| Project Name: Lighting Improvements Date Submitted: March 2, 2021 | Total # of people served: 1,600+ annually Total # of San Marcos residents served: 24, plus their families | Amount Requested: \$ \$1,453.90 |
| Non-Profit Organization Name and Address, Website Canine Companions for Independence 124 Rancho Del Oro Drive Oceanside, CA 92057 www.cci.org | Contact Person – Name, Title & Phone, email Kimberly Danker Development Associate Office: 760.901.4396 Mobile: 513.368.1604 (working from home) kdanker@cci.org | |
| <p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Canine Companions respectfully requests \$1,453.90 from the San Marcos Community Fund for improved lighting in two of our restrooms used by our clients. These restrooms are at the rear of our main Training Room and utilized by our clients both for their intended purpose as well as training with their assistance dogs. The lighting in these restrooms is woefully inadequate. Many of our clients use wheel chairs and are transferring from the wheel chair to the toilet seat in dim lighting, making it difficult to see what they are doing. Canine Companions would like to replace the current lighting with an LED light fixture in each of these restrooms.</p> <p>In addition, Canine Companions would like to add 10 bedside lamps to our dorm rooms. Clients live on our campus for two weeks while they are matched with an assistance dog and learn to work together as a team. In the evenings, clients often catch up on emails, personal work tasks and prepare for the next day's training. New lighting would be a great help to them and reduce their eye strain. Our current lamps are over 15 years old and breaking down.</p> | | |
| <p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>Canine Companions has two dozen volunteer puppy raisers and clients who graduated our Team Training program, who call San Marcos their home. These individuals and their families are active supporters of Canine Companions and their local community. Each time a volunteer is out and about in San Marcos with their puppy-in-training or a client is out with their assistance dog, they help build tolerance, understanding and acceptance of people with disabilities in the community.</p> <p>Every single one of the clients we serve, regardless of where they live, come to our campus and live for two weeks. While here, our clients and their families buy gas, purchase incidentals, support our local restaurants and put tourism dollars into North County, including San Marcos. Clean, adequately lighted facilities help to create happy, satisfied clients who refer their friends and neighbors to our organization, thereby placing even more tourism dollars into the local economy.</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: 4-1-21 to 6-30-21 Date by which funds will be expended: 6-30-2021 Signature of President or Authorized Officer <div style="display: flex; justify-content: space-between;"> <div> <i>Simi Balter</i>, Executive Director Name, Title </div> <div> <u>March 2, 2021</u> Date </div> </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): cityclerk@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)

| | |
|--|-----------------|
| <u>2 – 4x2 Fixture Assemblies, which includes LED drop in or ceiling mounted</u> <u>fixtures with 15 ft. of NM (non-metal jacket) or MC (metal clad) cable and</u> <u>wire nuts; make up and install</u> | <u>\$754.00</u> |
| _____ | \$ _____ |
| <u>5 – Pairs of Jar Style Table Lamps with Shades; 10 total</u> | <u>\$699.90</u> |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |

| | |
|---------------------------------------|--------------------------|
| Total budget for this PROJECT: | <u>\$1,453.90</u> |
|---------------------------------------|--------------------------|

| | |
|--|--------------------------|
| Grant Request Amount: <i>(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)</i> | <u>\$1,453.90</u> |
|--|--------------------------|

Is this a challenge grant? No Could it be? Not at this time, we are looking at other foundations which allow capital proposals for funding to be used in termite repair and roof replacement.

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) _____ | ** _____ |

CINCINNATI OH 45999-0038

In reply refer to: 0248188030

Mar. 13, 2020 LTR 4168C 0

94-2494324 000000 00

00012416

BODC: TE

CANINE COMPANIONS FOR INDEPENDENCE
% ROBERT SCHWINN
2965 DUTTON AVE
SANTA ROSA CA 95407

Employer ID number: 94-2494324
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated Mar. 04, 2020, about your tax-exempt status.

We issued you a determination letter in February 1979, recognizing you as tax-exempt under Internal Revenue Code (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 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.,

0248188030
Mar. 13, 2020 LTR 4168C 0
94-2494324 000000 00
00012417

CANINE COMPANIONS FOR INDEPENDENCE
% ROBERT SCHWINN
2965 DUTTON AVE
SANTA ROSA CA 95407

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,



Kim A. Billups, Operations Manager
Accounts Management Operations 1





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

Entity Status Letter

Date:

ESL ID:

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:

Entity Name:

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



Canine Companions for Independence®
Southwest Regional Training Center
2021 Operating Budget

INCOME

| | | |
|---|----|-----------------|
| Fundraising Events | \$ | 807,000 |
| Solicited Individuals | \$ | 2,679,000 |
| Foundation & Grants | \$ | 810,000 |
| Corporate & Business Gifts | \$ | 195,000 |
| Direct Marketing | \$ | 647,000 |
| United Way & Other Organizations | \$ | 130,000 |
| Other Revenue (retail proceeds; release fees) | \$ | 68,000 |
| | \$ | <hr/> 5,336,000 |

EXPENSES

| | | |
|---|----|-----------------|
| Personnel | \$ | 2,585,000 |
| Occupancy | \$ | 231,000 |
| Professional Fees | \$ | 303,000 |
| Supplies & Shipping | \$ | 197,000 |
| Travel & Meeting | \$ | 58,000 |
| Telecommunications & Equipment | \$ | 92,000 |
| Other Expenditures | \$ | 43,000 |
| National Support – Breeding, Research & Marketing | \$ | 1,827,000 |
| | \$ | <hr/> 5,336,000 |



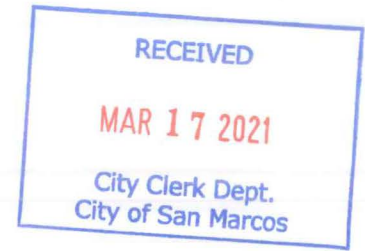
**Canine Companions for Independence
2021 Southwest Regional Board**

| | |
|---|---|
| Celentano, Joseph Executive Vice President Retirement Solutions Division Pacific Life Insurance Company Newport Beach, California Joseph.Celentano@PacificLife.com 2019 | Gackstetter, Tim Retired San Diego, California <i>Canine Companions Graduate</i> tgack@san.rr.com 2004 |
| Haydel, Kim Vice President of Western Zone Canon Business Solutions Gardena, California <i>Canine Companions Graduate</i> kim.haydel@xerox.com 2012 | Hennessy, Leslie, PhD. Adjunct Professor Penn State University; University of San Diego Colorado Springs, Colorado <i>National Board Member</i> catalyst.rk@gmail.com 1998 |
| Hollenstein, Tommy Artist Canoga Park, California <i>Canine Companions Graduate</i> tommystein@aol.com 2006 | Ishizaki, Sheryl <i>Board President</i> Director of Food and Beverage Ritz Carlton Laguna Niguel San Diego, California sheryl.ishizaki@ritzcarlton.com 2017 |
| Peluso, Jack Vice President, Senior Financial Advisor Merrill Lynch Wealth Management San Diego, California dow10@aol.com 2015 | Rieger, Jane Retired San Diego, California janerieger@mac.com 2018 |
| Ryan, Susan, M.D. Emergency Physician Care Point Health Denver, Colorado <i>Volunteer Puppy Raiser</i> jocdoc2000@gmail.com 2017 | Street, Bob Retired Colorado Springs, Colorado <i>National Board Member</i> bastreet@comcast.net 2000 |
| Thiederman, Sondra, PhD. Owner Cross-Cultural Communications San Diego, California <i>Volunteer Puppy Raiser</i> stphd@thiederman.com 2001 | Torrez, Glenn CEO & President Prava Construction Services, Inc. Escondido, California gdt@pravacsi.com 2019 |
| Weir, Lance Public Speaker Carlsbad, California <i>Canine Companions Graduate</i> lwweir@gmail.com 2014 | |

It is Canine Companions' policy not to disclose individual board member addresses or telephone numbers.

If you would like to contact a board member, we would be happy to facilitate the communication. Our board meets four times a year.

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



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

| | | |
|--|---|---|
| Project Name: San Marcos Student Health Development Scholarship Date Submitted: 3/11/2020 | Total # of people served: 186 Total # of San Marcos residents served: 21 | Amount Requested: \$1,500 |
| Non-Profit Organization Name and Address, Website R.E.I.N.S Therapeutic Horsemanship Program 4461 S. Mission Rd. Fallbrook, CA 92028 Reinsprogram.org | Contact Person – Name, Title & Phone, email Canece Huber <i>Business Development Director</i> (760) 731-9168 canece@reinsprogram.org | |
| <p><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u></p> <p>The student ride lessons weekly, where they work toward therapy goals designed specifically for them. Students and their families build caring and trusting relationships with their instructor, therapy consultant, the REINS staff and supporting volunteers, helping reach goals that may be more difficult in a traditional therapy setting. We are requesting \$1,500 to help cover the costs of our scholarships. REINS never turns a student away due to financial hardship. In fact, we start by offering our lessons at only 21% of their actual cost. Even with this, some of our students still need a little extra assistance. To raise the additional 79% needed to run a high-quality program, we continually write for grants, fundraise, and seek the generous support of a long-standing donor base.</p> | | |
| <p><u>Briefly describe the significance of your request to the San Marcos community:</u></p> <p>We know that medical bills skyrocket when special needs are present and that many times insurance will not pay for surgeries or even wheelchairs that will help those with disabilities. The requested funds will help two San Marcos families receive scholarships and will also help our 21 San Marcos families who will continue to pay much less than what it could cost to ride at REINS. REINS make sure our students reach their full potential despite their disabilities and we're committed to excellence in the quality of care we provide and in our continuing education clinics.</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 First 2 pages of Federal 990 Most recent year-end Statement or Audit including any management letters associated with Audit. Signature of President or Authorized Officer on Application Optional: letters of support | | Expected date project will begin/end: Year-long. Date by which funds will be expended: Signature of President or Authorized Officer <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> Name, Title EXECUTIVE DIRECTOR </div> <div style="text-align: center;"> 3/9/21 Date </div> </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): cityclerk@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)

| | |
|---|--------------------|
| <u>(2) Health Development Riding Scholarships at \$750 each</u> | \$ <u>1,500.00</u> |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |

Total budget for this PROJECT: \$ _____

Grant Request Amount: \$ 1,500.00

(Mini grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)

Is this a challenge grant?

Could it be?

Please list any other funding sources for this project.

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

| | |
|--|-----------------|
| \$20,000 <u>Air Warrior Courage Foundation</u> | ** <u> C </u> |
| \$4,000 <u>Legacy Endowment</u> | ** <u> C </u> |
| \$2,500 <u>Clark Construction</u> | ** <u> C </u> |
| \$ _____ (Name of Source) _____ | ** _____ |



2021 REINS Operating Budget

| Income | |
|-----------------|--------------|
| Contributions | \$440,000.00 |
| Fundraising | \$330,000.00 |
| Interest Income | \$1,000.00 |
| Program Fees | \$205,000.00 |
| Property Income | \$20,000.00 |
| Total Income | \$996,000.00 |

| Expense | |
|---|--------------|
| Accounting Services | \$12,000.00 |
| Advertising | \$1,000.00 |
| Bank/Credit Card Fees | \$12,000.00 |
| Consulting Fees - OT/PT/SLP | \$10,000.00 |
| Employee Education | \$2,500.00 |
| Employee Salaries | \$590,000.00 |
| Liability Insurance | \$10,000.00 |
| Work Comp, Payroll Process and Taxes | \$110,000.00 |
| Facility Improvements | \$25,000.00 |
| Facility Maintenance | \$20,000.00 |
| Horse Care | \$50,000.00 |
| Misc. Program Expense | \$10,000.00 |
| PATH Int'l Membership & Non-Profit Dues | \$2,500.00 |
| Office Supplies | \$9,000.00 |
| Printing & Postage | \$15,000.00 |
| Program Supplies | \$12,000.00 |
| Scholarships | \$50,000.00 |
| Property Taxes | \$1,000.00 |
| Utilities | \$22,000.00 |
| Truck/Transportation | \$8,000.00 |
| Total Expense | \$972,000.00 |

Internal Revenue Service

Date: June 25, 2004

Riding Emphasizing Individual Needs and Strengths
(REINS)
P.O. Box 1283
Bonsall, CA 92003-1283

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

Person to Contact:
Yvette Davis 31-07751
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877 -829-5500
Fax Number: 513-
263-3756
Federal Identification Number: 33-
0035455

Dear Sir or Madam:

This is in response to your correspondence dated May 13, 2004, to correct your organization name. We have updated our records to reflect the name change as indicated above".

In June 1984, we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501 (c)(3) of the Internal Revenue Code.

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

Riding Emphasizing Individual Needs and Strengths (REINS)
33-0035455

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

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

For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

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

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

Sincerely,

A handwritten signature in black ink that reads "Janna K. Skufca". The signature is written in a cursive, flowing style.

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

REINS Board of Directors 2021

| Federal Tax ID# | State Tax ID# |
|-----------------|---------------|
| 33-0035455 | 90-0947537 |


| Position | Name | Business Affiliation |
|-----------|------------------|-----------------------------------|
| President | James Betz | Owner, Betz Concrete |
| Treasurer | John Kearns, CPA | Retired, CPA |
| member | Kimberly Carlson | Realtor, The Elite Home Group |
| member | Dr. Tad Bender | DVM, Creekside Veterinary Service |
| member | Pamela Farrow | REINS Parent |
| member | Christopher Kim | Product Manager |
| member | Lou Riddle | Owner, Lou Riddle Construction |

SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page



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

| | | |
|--|---|----------------------------|
| Project Name: Feeding San Diego Mobile Pantry – San Marcos Date Submitted: | Total # of people served: 8,237 Total # of San Marcos residents served: 1,220 | Amount Requested: \$10,000 |
| Non-Profit Organization Name and Address, Website Feeding San Diego 9477 Waples Street, Suite 100 San Diego, CA 92121 www.feedingsandiego.org | Contact Person – Name, Title & Phone, email Karen Cerveney, Grants Coordinator (858)283-8970 kcerveney@feedingsandiego.org | |
| <p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>With deep appreciation for the San Marcos Community Foundation’s past support of the Feeding San Diego Mobile Pantry program, we respectfully request a \$10,000 regular grant to help continue this service in the San Marcos area. Serving predominantly rural areas in the North and East Counties of San Diego, Feeding San Diego’s Mobile Pantry program delivers food to underserved neighborhoods that have a high incidence of poverty and lack consistent access to full-service grocery stores or other sources of fresh, healthy food. The Mobile Pantries meet residents where they live by directly distributing food at twice-monthly events in their communities. The Mobile Pantries are also a critical food resource for those impacted by disasters, such as the current COVID-19 pandemic, which has created a significant increase in need for food assistance.</p> | | |
| <p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The San Marcos Mobile Pantry site serves the largest number of households among the 17 distribution sites in Feeding San Diego’s Mobile Pantry program. Feeding San Diego provides enough food for 425 unduplicated local households to receive an average of 27 pounds of food per twice-monthly distribution. This resulted in approximately 165,530 meals distributed in San Marcos in FY20, and we are on track to distribute 227,210 meals in FY21.</p> <p>A partnership established with North County Health Services/TrueCare San Marcos for access to space and volunteers allows Feeding San Diego to supply the San Marcos area with year-round food assistance in a consistent, familiar and trusted location in the community. The San Marcos Mobile Pantry serves a wide variety of individuals who are experiencing hunger, including seniors; families with children; those homebound or isolated by illness, age, lack of mobility or language barriers; and migrant farmworkers and their families. The San Marcos Community Foundation’s continued support of Feeding San Diego’s San Marcos Mobile Pantry will help provide these vulnerable individuals with the healthy food they need to thrive.</p> <p>Due to the COVID-19 crisis, the San Marcos Mobile Pantry converted to a drive-thru/contactless walk-up distribution and increased the amount of food provided to ensure that everyone who needed it could access the nutritious foods they needed for good health while still adhering to social distancing practices.</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: | Expected date project will begin/end: Ongoing – 12-month period after funds have been provided Date by which funds will be expended: Six-month period after funds have been provided | |

| | |
|---|---|
| <ul 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>Signature of President or Authorized Officer</p> <div data-bbox="873 191 1031 317"></div> <div data-bbox="873 321 1507 390"><div>Ali Colbran, Director of Development</div><div>3/23/2021</div><div>Name, Title</div><div>Date</div></div> |
| | <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): cityclerk@san-marcos.net</p> |

ABOUT FEEDING SAN DIEGO

Feeding San Diego's mission is to connect every person facing hunger with nutritious meals by maximizing food rescue. Our vision is a hunger-free and healthy San Diego. As the leading hunger-relief organization in the region, Feeding San Diego provides more than 31 million meals every year to people facing hunger through a decentralized food rescue and distribution network. We distribute meals in partnership with more than 300 local charities, schools, faith communities, meal sites, and food pantries, allowing Feeding San Diego to reach diverse communities across the county through organizations embedded in the neighborhoods they serve. Feeding San Diego serves children, families, seniors, college students, military families, veterans, people facing homelessness, and underserved and disadvantaged populations throughout San Diego County — from Oceanside to San Ysidro, and from the coast to the desert.

Food rescue is at the core of our programs and operations. Feeding San Diego's unique, resourceful model of operation focuses on preventing the food that already exists in the county from going to waste, and instead, connecting it to people in need. By preventing useable food from being wasted, our programs also reduce the environmental impact of expanding landfills and increased greenhouse gas emissions from decomposing organic waste. Last year Feeding San Diego diverted more than 27 million pounds of food from going to waste, reducing greenhouse emission levels equivalent to removing 5,300 cars from the road for one year.

Feeding San Diego creates a comprehensive approach to hunger-relief and nutrition through our Feeding Kids, Feeding Families, Feeding Seniors, Feeding Heroes and Feeding Excellence initiatives. Individual programs within these initiatives, such as School Pantry and Mobile Pantry, support the immediate and long-term needs of the community. Feeding San Diego believes providing service with a sense of dignity is the foundation for helping clients access the resources they need.

Feeding San Diego also acts as an advocate at the local and state level to protect government hunger-relief services like CalFresh (nationally known as SNAP). Feeding San Diego holds numerous outreach events designed to help clients determine their CalFresh eligibility and apply to the program.

We are an independent 501(c)(3) non-profit corporation, affiliated with Feeding America, the largest domestic hunger-relief organization in the United States.

COVID-19 RESPONSE

Before the COVID-19 crisis, one in eight people in San Diego County faced hunger. Now, due to school and business closures, job losses, disruptions to the food supply and economic instability, **we are seeing an estimated 50 percent increase in need — and the effects are devastating.** Hundreds of thousands of people across San Diego County are in dire need of food assistance, with approximately 40 percent facing food insecurity for the first time.

Disaster relief has been an organizational priority since the founding of Feeding San Diego in the wake of the devastating wildfires sweeping through San Diego in October 2007. When the COVID-19 pandemic hit in March 2020, Feeding San Diego quickly launched regional emergency distribution sites, collaborated with school districts to provide meals for children and families affected by school closures, implemented no-touch/drive-through food distributions, increased support to community partners, and enhanced online resources for people seeking food assistance. We also augmented the food supplied at Mobile Pantry distributions by 20%. **As a result, Feeding San Diego has been providing 700,000 more meals per month than prior to the COVID-19 crisis.**

Feeding San Diego has taken significant precautions to prevent the spread of COVID-19 while at the same striving to minimize disruptions to our distribution schedule. To reduce risk of community transmission, we refined our protocols and implemented new methods of food distribution. All Mobile Pantries, including the San Marcos Mobile Pantry, have been converted to a drive-through or contactless walk-up models to ensure adherence to social distancing practices. These practices will remain in place as long as necessary to safeguard the health of residents, partners and volunteers.

THE SAN MARCOS MOBILE PANTRY

Even before the COVID-19 pandemic, San Marcos residents experiencing hunger were affected by a variety of circumstances including language barriers, migrant working conditions, unstable housing, or age-based health and mobility issues. In addition, low-income people in San Diego's North County, including San Marcos, disproportionately struggle with health issues because the area has significant "food deserts" where access to healthy food is limited. These

food deserts occur because low-income households in the area often lack transportation but face long commutes to both grocery stores and reliable hunger-relief sites. Now, with the extended closures and ongoing economic disruption, more local residents are facing food insecurity than ever before.

To help meet this increased need for food assistance, the San Marcos Mobile Pantry will provide approximately 227,210 meals directly to the area's residents in FY21 through twice-monthly distributions in a consistent and convenient location. Families receive at least 27 pounds of healthy food per household at each Mobile Pantry distribution, with approximately 55 percent of the food provided by the program being fresh produce. Feeding San Diego prioritizes health and nutrition for those we serve since many low-income households frequently resort to inexpensive, processed foods to stretch their limited budgets for groceries. Fresh produce is often considered non-essential, which perpetuates a variety of nutrition related illnesses, including type-two diabetes, obesity, and heart disease.

The San Marcos Mobile Pantry is hosted at our partner site, North County Health Services/TrueCare San Marcos, a centrally located and trusted community resource. Feeding San Diego transports food to this site, where trained coordinators and volunteers set up, stock the distributions, and market the events in the community. Our partner sites adhere to strict safe food handling rules and ensure consistent, equitable, and dignified distributions. Mobile Pantries also have a housebound-client policy where individuals who cannot travel to the sites can have food picked up on their behalf by friends and neighbors and brought to them.

LONG-TERM IMPACT

Feeding San Diego believes our goal is not just to provide enough food for our community to survive, but to ensure people in need receive nutritious items that support their overall health and well-being. Feeding San Diego is focused on achieving the following objectives through the Mobile Pantry program:

- Improve food security for served households
- Increase consumption of vegetables, fruit and whole grains
- Decrease the consumption of junk food and fast food
- Reduce the risk of chronic illnesses, such as type-2 diabetes or hypertension, due to increased consumption of healthier foods
- Increase access to nutritious meals and economic impact via increased CalFresh enrollment

The Mobile Pantry program has resulted in positive healthy behavior outcomes, with 93 percent of families receiving food reporting that they eat more fruits and vegetables, 69 percent eat less unhealthy food (fast food, junk food, etc.), and 93 percent of families prepare more meals at home. 91 percent of food recipients at our Mobile Pantry program sites reported their overall experience as good or excellent.

COMMUNITY IMPACT

Feeding San Diego helps improve the quality of life for community members by striving to alleviate hunger in underserved areas of San Diego County. We appreciate the San Marcos Community Foundation's commitment to improving the lives of individuals in our community and are grateful for your past generous support of our hunger-relief services in San Marcos. A \$10,000 grant from the San Marcos Community Foundation would help Feeding San Diego's San Marcos Mobile Pantry to continue to provide the community with the much-needed resources to fight hunger. As an ongoing program, grant funds will be expended within six months of the award date.

Now more than ever, Feeding San Diego is committed to providing the children, families, veterans, military and seniors in San Marcos and throughout San Diego County with the nutritious food they need for good health.

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:

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

C
FEEDING SAN DIEGO
9455 WAPLES STREET #135
SAN DIEGO, CA 92121

D Employer identification number

26-0457477

E Telephone number

(858) 452-3663

G Gross receipts \$ 51,083,126.

F Name and address of principal officer: VINCE HALL
SAME AS C ABOVE

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: WWW.FEEDINGSANDIEGO.ORG

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ L Year of formation: 2007 M State of legal domicile: CA

Part I Summary

| | |
|---|--|
| 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. | |
| Activities & Governance | 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 10 |
| | 5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)..... 5 67 |
| | 6 Total number of volunteers (estimate if necessary)..... 6 14,255 |
| 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. | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h)..... 53,592,487. 50,789,545. |
| | 9 Program service revenue (Part VIII, line 2g)..... 161,909. 160,252. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)..... 892. 2,818. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)..... -43,365. 52,886. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)..... 53,711,923. 51,005,501. |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)..... 147,613. 212,709. |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4)..... |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)..... 2,964,129. 3,314,025. |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e)..... 258,876. 262,045. |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,692,822. |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)..... 50,678,729. 46,571,695. |
| | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)..... 54,049,347. 50,360,474. |
| 19 Revenue less expenses. Subtract line 18 from line 12..... -337,424. 645,027. | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16)..... Beginning of Current Year 6,613,731. End of Year 7,244,802. |
| | 21 Total liabilities (Part X, line 26)..... 3,609,218. 3,595,262. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20..... 3,004,513. 3,649,540. |

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 | |
| | VINCE HALL | | CEO | |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> If PTIN self-employed P01255081 |
| | Firm's name ▶ WHITE NELSON DIEHL EVANS LLP | | | |
| | Firm's address ▶ 2875 MICHELLE DRIVE, SUITE 300 | | | |
| | IRVINE, CA 92606 | Firm's EIN ▶ 33-0686301 | Phone no. (714) 978-1300 | |

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:

CONNECT EVERY PERSON FACING HUNGER WITH NUTRITIOUS MEALS BY MAXIMIZING FOOD RESCUE.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 \$ 47,689,861. including grants of \$ 212,709.) (Revenue \$ 160,252.)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 ▶ 47,689,861.

FEEDING SAN DIEGO
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018

WITH INDEPENDENT AUDITORS' REPORT

LETTER FROM THE CEO

Dear Friends:

In fiscal year 2019, Feeding San Diego provided 26.3 million meals to people facing hunger, including children, seniors, military families, veterans, people facing homelessness, and other underserved populations. More than half of all food distributed was fresh produce, providing the fruits and vegetables food-insecure households need to live healthy lives.

Our impact in fiscal year 2019 was achieved through the success of our diverse network, including 300 distribution partners, 530 food donor locations, 225 farms and packing sheds, 14,000 volunteers, 8,500 donors, and more than 50 staff.

Through our innovative approach, 97 percent of distributed food in fiscal year 2019 was rescued and would have otherwise gone to waste. Our environmentally responsible model was recognized with the Fantastic Environmental Action Taken Award from the Sierra Club San Diego Chapter and the Business Waste Reduction & Recycling Award from the City of San Diego. Looking forward, Feeding San Diego remains committed to expanding food rescue in order to cost-effectively solve hunger while preventing increased greenhouse gas emissions from decomposing organic waste.

With the generosity of the community, Feeding San Diego continues working tirelessly to connect the one in eight people facing hunger in San Diego County with nutritious meals. Together, we can end hunger.

Sincerely,

A handwritten signature in black ink, appearing to read "Vince Hall".

Vince Hall

Chief Executive Officer

**FEEDING SAN DIEGO
TABLE OF CONTENTS
JUNE 30, 2019 AND 2018**

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| Financial Statements: | |
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| Statements of Activities and Changes in Net Assets | 4 |
| Statements of Cash Flows..... | 6 |
| Statements of Functional Expenses | 7 |
| Notes to Financial Statements..... | 9 |

INDEPENDENT AUDITORS' REPORT

Board of Directors
Feeding San Diego

We have audited the accompanying financial statements of Feeding San Diego (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization'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 Organization'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 Feeding San Diego 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 3 to the financial statements, in June 2015, the Organization received a conditional pledge from one donor in the amount of \$15,000,000, in which the donor will pay \$3,000,000 per year for a period of five years starting in July 2015. The pledge is contingent on various organizational goals and factors that must be measured and met, many of which are possible, but not certain. Accordingly, the Organization has recorded deferred revenue of \$3,000,000 as of June 30, 2019 and 2018. Our opinion is not modified with respect to this matter.

White Nelson Diehl Evans LLP

Irvine, California
January 7, 2020

FEEDING SAN DIEGO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

ASSETS

| | <u>2019</u> | <u>2018</u> |
|---|----------------------------|----------------------------|
| Current Assets: | | |
| Cash | \$ 1,928,240 | \$ 1,660,850 |
| Accounts receivable | 145,519 | 78,213 |
| Pledges receivable | 3,552,049 | 3,343,212 |
| Inventory | 804,333 | 598,104 |
| Prepaid expenses and other current assets | <u>194,393</u> | <u>163,293</u> |
| Total Current Assets | 6,624,534 | 5,843,672 |
| Property and Equipment, at Net Book Value | 559,598 | 709,389 |
| Other Assets: | | |
| Deposits | <u>60,670</u> | <u>60,670</u> |
| Total Assets | <u><u>\$ 7,244,802</u></u> | <u><u>\$ 6,613,731</u></u> |

LIABILITIES AND NET ASSETS

| | | |
|----------------------------------|----------------------------|----------------------------|
| Current Liabilities: | | |
| Accounts payable | \$ 239,105 | \$ 224,426 |
| Accrued expenses | 293,707 | 293,683 |
| Deferred donations | <u>3,000,000</u> | <u>3,000,000</u> |
| Total Current Liabilities | 3,532,812 | 3,518,109 |
| Long-Term Liabilities: | | |
| Deferred rent | <u>62,450</u> | <u>91,108</u> |
| Total Liabilities | 3,595,262 | 3,609,217 |
| Net Assets: | | |
| Without donor restrictions | 2,808,829 | 2,798,481 |
| With donor restrictions | <u>840,711</u> | <u>206,033</u> |
| Total Net Assets | <u><u>3,649,540</u></u> | <u><u>3,004,514</u></u> |
| Total Liabilities and Net Assets | <u><u>\$ 7,244,802</u></u> | <u><u>\$ 6,613,731</u></u> |

The accompanying notes are an integral part of these financial statements.

FEEDING SAN DIEGO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|----------------------------------|----------------------------|---------------|
| Support and Revenue: | | | |
| Community Support: | | | |
| Donated food products and merchandise | \$ 42,640,211 | \$ - | \$ 42,640,211 |
| Grants and awards | 4,828,472 | - | 4,828,472 |
| Contributions | 2,172,365 | 1,241,823 | 3,414,188 |
| In-kind contributions | 56,382 | - | 56,382 |
| Total Community Support | 49,697,430 | 1,241,823 | 50,939,253 |
| Shared Maintenance Fees | 160,252 | - | 160,252 |
| Other Income | 40,003 | - | 40,003 |
| Net Assets Released from Restrictions | 607,145 | (607,145) | - |
| Total Support and Revenue | 50,504,830 | 634,678 | 51,139,508 |
| Expenses: | | | |
| Program: | | | |
| Program expenses | 47,689,861 | - | 47,689,861 |
| Total Program Expenses | 47,689,861 | - | 47,689,861 |
| Support: | | | |
| General and administrative | 978,985 | - | 978,985 |
| Development | 1,825,636 | - | 1,825,636 |
| Total Support Expenses | 2,804,621 | - | 2,804,621 |
| Total Expenses | 50,494,482 | - | 50,494,482 |
| Change in Net Assets | 10,348 | 634,678 | 645,026 |
| Total Net Assets, Beginning of Year | 2,798,481 | 206,033 | 3,004,514 |
| Total Net Asset, End of Year | \$ 2,808,829 | \$ 840,711 | \$ 3,649,540 |

The accompanying notes are an integral part of these financial statements.

FEEDING SAN DIEGO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2018

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|----------------------------------|----------------------------|---------------|
| Support and Revenue: | | | |
| Community Support: | | | |
| Donated food products and merchandise | \$ 46,300,462 | \$ - | \$ 46,300,462 |
| Grants and awards | 3,920,607 | - | 3,920,607 |
| Contributions | 2,904,662 | 441,814 | 3,346,476 |
| In-kind contributions | 90,746 | - | 90,746 |
| Total Community Support | 53,216,477 | 441,814 | 53,658,291 |
| Shared Maintenance Fees | 161,909 | - | 161,909 |
| Other Income | 5,659 | - | 5,659 |
| Net Assets Released from Restrictions | 617,245 | (617,245) | - |
| Total Support and Revenue | 54,001,290 | (175,431) | 53,825,859 |
| Expenses: | | | |
| Program: | | | |
| Program expenses | 51,596,792 | - | 51,596,792 |
| Total Program Expenses | 51,596,792 | - | 51,596,792 |
| Support: | | | |
| General and administrative | 942,994 | - | 942,994 |
| Development | 1,623,496 | - | 1,623,496 |
| Total Support Expenses | 2,566,490 | - | 2,566,490 |
| Total Expenses | 54,163,282 | - | 54,163,282 |
| Change in Net Assets | (161,992) | (175,431) | (337,423) |
| Total Net Assets, Beginning of Year | 2,960,473 | 381,464 | 3,341,937 |
| Total Net Asset, End of Year | \$ 2,798,481 | \$ 206,033 | \$ 3,004,514 |

The accompanying notes are an integral part of these financial statements.

FEEDING SAN DIEGO
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 | \$ 645,026 | \$ (337,423) |
| Noncash Items Included in Change in Net Assets: | | |
| Depreciation | 199,390 | 267,234 |
| Deferred rent | (28,658) | (15,338) |
| Gain on disposal of property and equipment | (29,000) | - |
| Inventory - donated | (194,141) | 389,048 |
| Changes in: | | |
| Accounts receivable | (67,306) | (58,808) |
| Pledges receivable | (208,837) | (234,307) |
| Inventory | (12,088) | 194,582 |
| Prepaid expenses and other current assets | (31,100) | (776) |
| Deposits | - | (4,000) |
| Accounts payable | 14,679 | (2,549) |
| Accrued expenses | <u>24</u> | <u>120,041</u> |
| Net Cash Provided by Operating Activities | 287,989 | 317,704 |
| Cash Flows from Investing Activities: | | |
| Proceeds from the sale of property and equipment | 29,000 | - |
| Purchase of property and equipment | <u>(49,599)</u> | <u>(123,525)</u> |
| Net Cash Used in Investing Activities | <u>(20,599)</u> | <u>(123,525)</u> |
| Net Increase in Cash | 267,390 | 194,179 |
| Cash, Beginning of Year | <u>1,660,850</u> | <u>1,466,671</u> |
| Cash, End of Year | <u><u>\$ 1,928,240</u></u> | <u><u>\$ 1,660,850</u></u> |
| Supplemental Disclosure of Noncash Activities: | | |
| Pledges receivable recorded as deferred donations | <u><u>\$ 3,000,000</u></u> | <u><u>\$ 3,000,000</u></u> |

The accompanying notes are an integral part of these financial statements.

FEEDING SAN DIEGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

| | Program Expenses | General and Administrative | Development | Total Expenses |
|---|----------------------|----------------------------------|---------------------|----------------------|
| In-kind food donations | \$ 42,524,720 | \$ - | \$ - | \$ 42,524,720 |
| Salaries | 1,653,106 | 426,977 | 791,412 | 2,871,495 |
| Food procurement | 1,170,913 | - | - | 1,170,913 |
| Rent and common area maintenance charges | 563,457 | 21,297 | 10,415 | 595,169 |
| Programs | 280,697 | - | - | 280,697 |
| Transportation and freight | 429,077 | - | - | 429,077 |
| Employee benefits | 294,204 | 60,708 | 87,618 | 442,530 |
| Equipment | 78,702 | 606 | 783 | 80,091 |
| Public relations and marketing | - | - | 350,376 | 350,376 |
| Miscellaneous expenses | 30,230 | 10,709 | 5,076 | 46,015 |
| Fundraising expense | - | - | 266,423 | 266,423 |
| Depreciation | - | 199,390 | - | 199,390 |
| Utilities | 191,240 | 7,201 | 3,530 | 201,971 |
| In-kind professional services | - | - | 56,382 | 56,382 |
| Outside services | 74,096 | 110,322 | 111,722 | 296,140 |
| Dues and subscriptions | 29,792 | 41,356 | 10,871 | 82,019 |
| Postage and printing | 5,888 | 2,004 | 21,965 | 29,857 |
| Vehicle expenses | 106,490 | - | - | 106,490 |
| Repairs and maintenance | 99,879 | - | - | 99,879 |
| Travel | 31,997 | 11,589 | 2,868 | 46,454 |
| Special events | - | 1,193 | 76,432 | 77,625 |
| Insurance | 55,033 | 1,916 | 939 | 57,888 |
| Supplies | 18,557 | 2,746 | 1,313 | 22,616 |
| Computer expenses | 42,388 | 72 | 27,044 | 69,504 |
| Bank charges | - | 46,772 | - | 46,772 |
| Employee events | - | 1,157 | - | 1,157 |
| Professional services | - | 26,784 | - | 26,784 |
| Training and education | 6,531 | 5,932 | 467 | 12,930 |
| Bad debt expense | 2,864 | 254 | - | 3,118 |
| | <u>\$ 47,689,861</u> | <u>\$ 978,985</u> | <u>\$ 1,825,636</u> | <u>\$ 50,494,482</u> |
| | <u>94.44%</u> | <u>1.94%</u> | <u>3.62%</u> | <u>100.00%</u> |

The accompanying notes are an integral part of these financial statements.

FEEDING SAN DIEGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

| | Program Expenses | General and Administrative | Development | Total Expenses |
|---|----------------------|----------------------------------|---------------------|----------------------|
| In-kind food donations | \$ 46,690,094 | \$ - | \$ - | \$ 46,690,094 |
| Salaries | 1,548,115 | 307,000 | 762,916 | 2,618,031 |
| Food procurement | 1,116,473 | - | - | 1,116,473 |
| Rent and common area maintenance charges | 563,154 | 21,296 | 10,410 | 594,860 |
| Programs | 316,023 | - | - | 316,023 |
| Freight and transportation | 411,724 | 36 | - | 411,760 |
| Employee benefits | 225,294 | 47,434 | 73,370 | 346,098 |
| Public relations and marketing | 6,270 | (335) | 340,807 | 346,742 |
| Miscellaneous expenses | 103,081 | 43,631 | 3,363 | 150,075 |
| Fundraising expense | - | - | 226,401 | 226,401 |
| Depreciation | - | 267,234 | - | 267,234 |
| Utilities | 185,753 | 12,202 | 3,432 | 201,387 |
| In-kind professional services | 180 | 34,682 | 55,884 | 90,746 |
| Outside services | 97,625 | 27,848 | 15,326 | 140,799 |
| Dues and subscriptions | 35,039 | 39,622 | 14,879 | 89,540 |
| Postage and printing | 2,199 | 3,917 | 43,038 | 49,154 |
| Vehicle expenses | 104,564 | 109 | - | 104,673 |
| Repairs and maintenance | 52,683 | - | - | 52,683 |
| Travel | 39,498 | 11,994 | 4,257 | 55,749 |
| Special events | - | - | 58,052 | 58,052 |
| Insurance | 30,459 | 23,445 | 563 | 54,467 |
| Supplies | 30,869 | 7,998 | 833 | 39,700 |
| Computer expenses | 31,616 | 10,881 | 7,027 | 49,524 |
| Bank charges | - | 43,233 | 2,791 | 46,024 |
| Employee events | 47 | 1,645 | - | 1,692 |
| Professional services | - | 35,375 | - | 35,375 |
| Training and education | 6,032 | 2,157 | 147 | 8,336 |
| Bad debt expense | - | 1,590 | - | 1,590 |
| | <u>\$ 51,596,792</u> | <u>\$ 942,994</u> | <u>\$ 1,623,496</u> | <u>\$ 54,163,282</u> |
| | <u>95.26%</u> | <u>1.74%</u> | <u>3.00%</u> | <u>100.00%</u> |

The accompanying notes are an integral part of these financial statements.

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Established in 2007, Feeding San Diego (“Feeding San Diego” or the “Organization”) is a non-profit organization, funded by philanthropic and community support, dedicated to connecting every person facing hunger with nutritious meals by maximizing food rescue. Operating as an independent non-profit, Feeding San Diego is a member of Feeding America, the largest domestic hunger-relief organization in the United States.

Program Services

Feeding San Diego serves people facing hunger through multiple programs, each focusing on a distinct population, to support an overarching vision of a hunger-free and healthy San Diego.

Feeding Families Initiative: Feeding San Diego provides healthy meals to families across the county through direct-to-client distributions and partner agencies who operate their own soup kitchens, food pantries, and hunger-relief programs.

Feeding Kids Initiative: Feeding San Diego serves children, youth, and their families facing hunger through a variety of distributions at their schools, afterschool activities, and summer programs.

Feeding Heroes Initiative: Feeding San Diego provides nutritious food to active-duty military and veteran households facing hunger through community partner distributions and direct-to-client programs.

Feeding Seniors Initiative: Feeding San Diego serves seniors through distributions at direct service sites, senior-housing complexes, partner agencies, and a meal-delivery partnership with Meals on Wheels.

In addition to direct service and community partnerships, Feeding San Diego operates a variety of outreach programs to help vulnerable people facing hunger to access food assistance and public benefits.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting. Contributions are recognized as revenues in the period in which they are received, and expenses are recorded as they are incurred.

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). References to the “ASC” hereafter refer to the Accounting Standards Codification established by the Financial Accounting Standards Board (“FASB”) as the source of authoritative US GAAP. Accordingly, the accounts of the Organization are reported in the following net asset categories:

Net Assets without Donor Restrictions - Net assets of the Organization that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets with Donor Restrictions - Net assets of the Organization that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

For purposes of reporting cash flows, cash includes petty cash funds, bank checking accounts used for operating purposes, and investments with maturities of three months or less from the original purchase dates.

Accounts Receivable

Accounts receivable represent amounts due from affiliated agencies and are stated at the amount that the Organization expects to collect for partner agency income and federally funded programs administered by states. Provision for losses on receivables is made when considered necessary to maintain an adequate allowance to cover bad debts. Receivables are charged against the allowance when the Organization determines that payments will not be received. Any subsequent receipts are credited to the allowance. There was no allowance for doubtful accounts at June 30, 2019 and 2018. Bad debt expense for the years ended June 30, 2019 and 2018, amounted to \$3,118 and \$1,590, respectively.

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Inventory

Inventory consists of donated, nongovernment food and grocery items, purchased food, and emergency food boxes stored in the event of a disaster. Donated food for the years ended June 30, 2019 and 2018, is valued at \$1.68 and \$1.72 per pound, respectively, based on an annual cost study conducted for Feeding America's national office. Purchased food is valued at its historical cost.

Property and Equipment

Property and equipment are recorded at cost or estimated fair value if the items are donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 6 years for vehicles, office furniture, and equipment, and the lesser of the lease term or the estimated useful life for cold storage and leasehold improvements. Equipment purchases over \$1,000 are capitalized. Depreciation is recorded as a decrease in net assets without donor restrictions, and the expense is charged to the activity benefiting from the use of the facilities or equipment. Depreciation expense for the years ended June 30, 2019 and 2018, amounted to \$199,390 and \$267,234, respectively.

Long-Lived Assets and Asset Impairment

The Organization accounts for impairment and disposition of long-lived assets in accordance with FASB ASC 360-10, *Property, Plant, and Equipment*. FASB ASC 360-10 requires impairment losses to be recognized for long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows are not sufficient to recover the assets' carrying amount. At June 30, 2019 and 2018, no impairment losses have been recorded.

Accrued Paid Time Off

Accrued paid time off represents time earned but not taken as of June 30. The maximum paid time off that can be accrued and carried over to the next year is 160 hours. The accrued paid time off balance as of June 30, 2019 and 2018, is \$90,972 and \$84,800, respectively, and has been included in accrued expenses in the accompanying statements of financial position.

Deferred Rent

Rent expense is recognized in compliance with FASB ASC 840-10, *Accounting for Leases*, whereby the expense is accrued ratably over the life of the subject lease with the intent to even out the effect of rent holidays and scheduled rent increases. At June 30, 2019 and 2018, the Organization's total deferred rent liabilities are \$62,450 and \$91,108, respectively, and included within deferred rent in the accompanying statements of financial position.

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Amounts received from grants and contracts are not reported as revenue until the resources are expended for the purpose specified or until a stipulated time restriction ends.

In accordance with FASB ASC 958-605, *Revenue Recognition*, contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence and/or nature of any donor restrictions. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

In-Kind Contributions - As stated above, donated food for the years ended June 30, 2019 and 2018, is valued at \$1.68 and \$1.72 per pound, respectively, based on an annual cost study conducted for Feeding America's national office. Donated equipment and other goods are recorded at their estimated fair market value as of the date of the donation. Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time services are rendered. The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Organization's operations. While these contributed services are not reflected in the financial statements, the estimated value of these services is disclosed in Note 9.

Shared Maintenance Fees - The Organization receives fees from participating agencies to assist in the costs of distributing food. These fees are based on predetermined rates from \$0 to \$0.19 per pound or an average of \$0.014 per pound. Total shared maintenance fees for the years ended June 30, 2019 and 2018, were \$160,252 and \$161,909, respectively.

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. Certain categories of expenses that are attributable to more than one function of the organization require allocation on a reasonable basis that is consistently applied. Expenses are allocated in the following ways. Labor expenses are allocated on a pro rata share of work done whether it is for Programs, General and Administrative, or Development departments. Costs related to the collection of food and donated through the distribution center are allocated by poundage under Programs. Occupancy expenses are allocated on a pro rata share of square footage of the building depending on each functional area.

Fundraising Costs

For the years ended June 30, 2019 and 2018, the Organization conducted fundraising activities that included appeals for contributions and incurred costs of \$344,049 and \$284,453, respectively. For the years ended June 30, 2019 and 2018, these activities included costs from direct mail campaigns totaling \$266,423 and \$226,401, respectively, and special event costs totaling \$77,625 and \$58,052, respectively.

Public Relations and Marketing Costs

Public relations and marketing costs are charged to operations when incurred. Public relations and marketing costs charged to operations for the years ended June 30, 2019 and 2018, totaled \$350,376 and \$346,742, respectively.

Special Events

To increase the financial viability and impact of the Organization now and in the future, a private donor underwrote the majority of the costs of hosting a large-scale fundraising gala during the years ended June 30, 2019 and 2018. A large expense such as this would not have been possible without the generosity of this donor, thereby enabling the Organization to increase awareness of hunger relief in new philanthropic communities through the education of 300 guests.

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code and the corresponding state code and is classified as an organization other than a private foundation. Accordingly, there is no provision for income taxes in the accompanying financial statements.

The Organization recognizes the tax benefit associated with tax taken for tax return purposes when it is more likely than not that the position will be sustained. The Organization does not believe that there are any material uncertain tax positions, and accordingly, it has not recognized any liability for unrecognized tax benefits or any related interest or penalties.

New Accounting Pronouncements - Net Yet Adopted

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*. The ASU amends a number of aspects of lease accounting, including requiring lessees to recognize on their balance sheet a right-of-use asset and a lease liability for all operating leases with a term of more than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of asset not to recognize the right-of-use asset and lease liability. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019; however, early adoption is permitted. The Organization anticipates recognizing a right-of-use asset and a lease liability on the statements of financial position for the discounted value of future lease payments from the adoption of ASU 2016-02. The Organization is currently evaluating the full impact of the provisions of ASU 2016-02 on the presentation of its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities - Revenue Recognition (Topic 958-605)*. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. This update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958 or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU 2018-08 is effective for fiscal years beginning after December 15, 2019, and early adoption is permitted. The Organization does not expect the provisions of ASU 2018-08 to have a material impact on the presentation of its financial statements.

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncement - Adopted

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*, which changes the current guidance for asset classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity, and presentation of operating cash flows. ASU 2016-14 reduces the required number of classes of net assets from three to two: *net assets with donor restrictions* and *net assets without donor restrictions*. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profit organizations to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses is eliminated.

ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions will also need to be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on the management of liquid available resources and the ability to cover short-term cash needs within one year of the statement of financial position date. Finally, current standards allow not-for-profit entities to decide whether to present operating cash flows using either the direct method or the indirect method. ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. The Organization has adopted the provisions of ASU 2016-14 and has retrospectively applied this standard to the financial statements as of and for the year ended June 30, 2019. As a result of adopting these provisions, net assets previously reported as unrestricted net assets at June 30, 2018, have been restated as net assets without donor restrictions, and net assets previously reported as temporarily restricted net assets at June 30, 2018, have been restated as net assets with donor restrictions.

Note 2: Liquidity

The Organization's financial assets available for general expenditure (that is, without donor or other restrictions limiting their use), within one year of the statement of financial position date, are as follows as of June 30, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| Cash | \$ 824,257 | \$ 909,683 |
| Accounts receivable | 145,519 | 78,213 |
| Pledges receivable | <u>3,552,049</u> | <u>3,343,212</u> |
| Total Financial Assets Available to Meet General Expenditures within One Year | <u>\$ 4,521,825</u> | <u>\$ 4,331,108</u> |

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 2: Liquidity (Continued)

Cash as restated above has been reduced by \$1,103,983 and \$751,167, respectively, from amounts reported in the accompany statements of net position at June 30, 2019 and 2018, based on the Organization's reserve policy which states a reserve must be maintained equal to the target minimum Operating Reserve Fund, which is three months of average operating costs, as estimated by management.

Note 3: Pledges Receivable

In June 2015, the Organization received a conditional pledge from one donor in the amount of \$15,000,000, in which the donor will pay \$3,000,000 per year for a period of five years starting in July 2015. The pledge is contingent on various organizational goals and factors that must be measured and met, many of which are possible, but not certain. Subsequent to the years ended June 30, 2019 and 2018, the Organization received the first quarterly installment payments totaling \$750,000 in July 2019 and July 2018 as a result of meeting the annual requirements set forth in the conditional pledge. Thus, the Organization has recorded a pledge receivable and corresponding deferred pledge revenue of \$3,000,000 for the years ended June 30, 2019 and 2018. As of June 30, 2019, the Organization has received \$12,000,000 of the conditional pledge. The remaining amounts included in pledges receivable in the statement of financial position of \$552,049 and \$343,212 at June 30, 2019 and 2018, respectively, are all due in one year or less.

Note 4: Inventory

Inventory consists of the following at June 30, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|-----------------------|-------------------|-------------------|
| Donated food | \$ 442,552 | \$ 397,300 |
| Purchased commodities | 98,716 | 86,628 |
| Produce inventory | <u>263,065</u> | <u>114,176</u> |
| Total Inventory | <u>\$ 804,333</u> | <u>\$ 598,104</u> |

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 5: Donations

The Organization receives substantial donations of food (which includes personal hygiene items and other staples), equipment, and volunteer services. Contributions of food and equipment are recorded at their estimated fair values in the period received.

Food distribution activity during the year ended June 30, 2019, was as follows (in pounds) (unaudited):

| | <u>Donated</u> | <u>Purchased</u> | <u>Total</u> |
|--|---------------------|------------------|---------------------|
| Food held for distribution, beginning of year | 304,450 | 149,081 | 453,531 |
| Food received | 26,387,999 | 706,749 | 27,094,748 |
| Food distributed and unusable product | <u>(26,256,883)</u> | <u>(704,931)</u> | <u>(26,961,814)</u> |
| Food Held for Distribution, End of Year | <u>435,566</u> | <u>150,899</u> | <u>586,465</u> |

Food distribution activity during the year ended June 30, 2018, was as follows (in pounds) (unaudited):

| | <u>Donated</u> | <u>Purchased</u> | <u>Total</u> |
|--|---------------------|------------------|---------------------|
| Food held for distribution, beginning of year | 520,534 | 447,874 | 968,408 |
| Food received | 26,763,273 | 661,861 | 27,425,134 |
| Food distributed and unusable product | <u>(26,979,357)</u> | <u>(960,654)</u> | <u>(27,940,011)</u> |
| Food Held for Distribution, End of Year | <u>304,450</u> | <u>149,081</u> | <u>453,531</u> |

Note 6: Property and Equipment

At June 30, 2019 and 2018, property and equipment consist of the following:

| | <u>2019</u> | <u>2018</u> |
|---|--------------------|--------------------|
| Machinery, equipment, and vehicles | \$ 1,172,252 | \$ 1,316,490 |
| Cold storage and leasehold improvements | 374,581 | 374,581 |
| Furniture and fixtures | 135,061 | 135,061 |
| Computer equipment | <u>278,690</u> | <u>233,041</u> |
| Total property and equipment, at cost | 1,960,584 | 2,059,173 |
| Less: Accumulated depreciation | <u>(1,400,986)</u> | <u>(1,349,784)</u> |
| Property and Equipment, at Net Book Value | <u>\$ 559,598</u> | <u>\$ 709,389</u> |

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 7: Employee Benefit Plan

The Organization has a qualified defined benefit contributory 401(k) plan, whereby eligible employees may contribute a percentage of compensation and the Organization contributes a discretionary match. For the years ended June 30, 2019 and 2018, employer contributions were \$70,274 and \$58,271, respectively. 401(k) Plan administrative expenses for the years ended June 30, 2019 and 2018, were approximately \$4,700 and \$2,100, respectively.

Note 8: Net Assets with Donor Restrictions

Net assets with donor restrictions consist of future expenditures for various programs, initiatives, and asset purchases. Net assets with donor restrictions as of June 30, 2019 and 2018, consist of the following by Organization initiative:

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| Feeding Kids | \$ 213,333 | \$ 20,000 |
| Feeding Seniors | 33,333 | - |
| Operations/food sourcing | 89,106 | 141,580 |
| Feeding Families | 111,500 | 44,453 |
| Facilities | <u>393,439</u> | <u>-</u> |
| Total Net Assets with Donor Restrictions | <u>\$ 840,711</u> | <u>\$ 206,033</u> |

Note 9: Contributed Services

For the years ended June 30, 2019 and 2018, there were donated items for the annual spring event for fundraising totaling \$56,382 and \$90,746, respectively.

Substantial volunteer time does not meet the criteria for FASB ASC 958-605 and accordingly has not been reflected in the accompanying financial statements. However, the tasks performed by these volunteers are central to the Organization's operations. The unaudited estimated value of such volunteer time for the years ended June 30, 2019 and 2018, was calculated using the California minimum wage, which amounted to approximately \$512,000 and \$633,000, respectively.

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 10: Conflict of Interest

Included among the Organization's Board of Directors are volunteers from the community who provide valuable assistance to the Organization in the development of policies and programs and in the evaluation of business transactions. The Organization has adopted a conflict of interest policy whereby board members are disqualified from participation in a final decision regarding any action that might affect their related company or organization.

Note 11: Risks and Uncertainties

The Organization received 41 percent of its monetary support via one contributor for the years ended June 30, 2019 and 2018.

The Organization maintains cash balances at one financial institution. At June 30, 2019 and 2018, accounts at this institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Organization's cash balances at this institution in excess of federally insured limits at June 30, 2019 and 2018, totaled approximately \$1,682,000 and \$1,598,000, respectively.

Note 12: Line of Credit

The Organization has available a revolving line of credit for up to \$500,000. There were no balances outstanding at June 30, 2019 and 2018. The interest rate is 1.0 percent above the prime rate. The line of credit is secured by substantially all the Organization's assets. The line of credit expires July 2020.

Note 13: Commitments and Contingencies

Operating Leases

The Organization leases warehouse and office space and office equipment expiring through November 2023. Total rent expense, including common area maintenance charges, related to such operating leases for the years ended June 30, 2019 and 2018, amounted to \$595,169 and \$594,860, respectively. Future aggregate minimum annual rental payments under these noncancelable leases as of June 30, 2019, are as follows:

| | |
|-------------------------------------|-------------------|
| 2020 | \$ 486,509 |
| 2021 | 214,114 |
| 2022 | 11,241 |
| 2023 | <u>417</u> |
| Total Future Minimum Lease Payments | <u>\$ 712,281</u> |

FEEDING SAN DIEGO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 14: Reclassifications

Certain reclassifications have been made to the 2018 financial statements in order to conform with the current year presentation.

Note 15: Subsequent Events

As discussed in Note 2, in July 2019, the Organization received the first quarterly installment totaling \$750,000 for year five of its pledge receivable.

Other events occurring after June 30, 2019, have been evaluated for possible adjustment to the financial statements or disclosure as of January 7, 2020, which is the date the financial statements were available to be issued.



SAN MARCOS COMMUNITY FOUNDATION
Grant Cover Page

RECEIVED

MAR 23 2021

City Clerk Dept.
City of San Marcos

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

| | | | |
|--|--|---|-------------------------------|
| Project Name: COVID-19 EQUITY PROGRAM FOR SAN MARCOS STUDENTS IN HIGHER EDUCATION | | Total # of people served: 500 | Amount Requested: \$10,000.00 |
| Date Submitted: March 17, 2021 | | Total # of San Marcos residents served: approx. 100 | |
| Non-Profit Organization Name and Address, Website Palomar College Foundation 1140 West Mission Road San Marcos, CA 92069 www.palomar.edu/foundation | | Contact Person – Name, Title & Phone, email Stacy Rungaitis Executive Director (760) 744-1150 x2733 srungaitis@palomar.edu | |
| <p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant): The COVID-19 pandemic has necessitated remote learning for Palomar College students. But remote learning is only an option if you have the necessary computer, technology and internet access. We are asking the San Marcos Community Foundation for \$10,000 to provide funding for laptop, internet and other technology support for our San Marcos students, who make up more than 20% of our total enrollment. This is a request for funding to help reduce inequity, and give every San Marcos Palomar College student access to the resources needed for remote learning.</p> | | | |
| <p><u>Briefly</u> describe the significance of your request to the San Marcos community: Palomar College is North County's largest higher education institution, with our district encompassing 2,500 square miles in San Diego county. Over 20% of our 26,000- student population are from San Marcos. A substantial number of our San Marcos students struggle financially even under the best of circumstances—and current circumstances are far from the best. For these students, a very delicate equilibrium was upset because of the pandemic and replaced by sudden job loss, inability to secure food or funding, and the need to prepare for a semester of online-only classes. Our goal is simple—to see that <i>every</i> San Marcos student at Palomar College has technology and online access so that there is equity of opportunity.</p> | | | |
| <p>Please attach the following items. Both Mini-Grant & Regular:</p> <ol style="list-style-type: none">Budget for request (use SMCF Budget Worksheet)Annual Operating budget for the organization or unitFederal & State Tax ID numbersBoard of Directors listing with affiliationsRegular Grants Only:<ol style="list-style-type: none">1-2 page narrativeFirst 2 pages of Federal 990Most recent year-end Statement or Audit including any management letters associated with Audit.Signature of President or Authorized Officer on ApplicationOptional: letters of support | | <p>Expected date project will begin/end: 5/1/2021-5/1/2022</p> <p>Date by which funds will be expended: 5/15/2022</p> <p>Signature of President or Authorized Officer</p> <p><i>Stacy Rungaitis</i> 3/17/2021</p> <p>Name, Title Date</p> <p><i>Executive Director</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): cityclerk@san-marcos.net</p> | |



SAN MARCOS COMMUNITY FOUNDATION COVID-19 EQUITY PROGRAM FOR SAN MARCOS STUDENTS IN HIGHER EDUCATION

Program Summary

The COVID-19 pandemic has necessitated remote learning for Palomar College students. But remote learning is only an option if you have the necessary computer, technology and internet access. While many take this for granted in our connected era, we risk exacerbating economic and social inequality by not seeing that for some students, even the most modest of computers and technology requirements is out of reach.

We are asking the San Marcos Community Foundation for \$10,000 to provide funding for computer, internet and other technology support for our San Marcos students, who make up more than 20% of our total enrollment. This is a request for funding to help reduce inequity, and give every San Marcos Palomar College student access to the resources needed for remote learning.

These students are not your “typical” college students. Many of them are the first in their families to seek higher education. Many work two and even three jobs just to sustain themselves and their families and afford even the modest costs of a Palomar College education. Many are military veterans, seeking to pick up their lives where they left off when they volunteered to defend our country.

A substantial number of our San Marcos students struggle financially even under the best of circumstances—and current circumstances are far from the best. For these students, a very delicate equilibrium was upset and replaced by sudden job loss, inability to secure food or funding, and the need to prepare for a semester of online-only classes.

Many of our students don’t have a computer, printing or internet access beyond what’s available (and now inaccessible) on campus. These students utilized our on-campus resources to complete their studies. These on-campus resources, such as our computer labs and Library, have been closed since March 2020 due to the pandemic. We anticipate that the pandemic will limit our on-campus resources well into the fall 2021 semester and quite possibly into spring 2022.

Recent events have been devastating and demoralizing for countless students. We want these students to have *their* chance at the education that will make all the difference in their lives. It would be a loss—for them as individuals and for us as a community—if their efforts to date were lost because of the healthcare emergency.

Program Goals

At first glance, the purpose of the project is to purchase and give to San Marcos Palomar College students computers, provide them with six months of internet access and give them printer cards, and webcams, etc. as necessary to complete their assignments.

Look further, and you see that the purposes of this project are multiple, and far more complex. The students who will be served have in many cases surmounted multiple obstacles to get as far as even starting their journey into higher education at college. They have overcome financial challenges, personal difficulties, lack of family support, and many other barriers.

These students will be devastated if they find themselves unable to continue their college education *not* because they lacked initiative, *not* because they lacked commitment, *not* because they lacked talent, but simply because they lacked a computer, connection to the internet or technology resources. That's how close they are to success—or failure. That is what we are seeking your partnership in providing.

Our goal is simple—to see that *every* San Marcos student has technology and online access so that there is equity of opportunity.

It is impossible to say which of today's students will be tomorrow's success stories. That is why equity of access is crucial. If only those with the financial means to afford technology have an opportunity to continue their education, those lacking such means will be denied their opportunity to succeed and we, as a community, will be denied the talent and creativity that would have come from those students.

Prior to the pandemic, students could access technology on campus, and their classes were all in-person. Today, and for the foreseeable future, we face very different circumstances. Technology is no longer optional; it is mandatory. Denied an opportunity to access classes electronically, students will be forced to drop out and our decades of experience tell us that once a student leaves the educational path, she or he is unlikely to return. The loss is theirs *and* ours.

Program Impact

Purchases of computers sufficient for online access, internet and other technology support will give each person a chance to stay engaged with his/her education, and remain on a path to personal and financial success—success that benefits us as a community as well as that person individually. Each person we can help might be our next nurse, teacher, engineer, entrepreneur, social worker, or physician. With your grant, we can offer a bridge of hope for students by giving them the technology resources they need to attend college courses remotely. They will have the opportunity that higher education promises them.

Budget Narrative

We are asking the San Marcos Community Foundation for \$10,000 to support this effort. We are asking for \$5,000 for laptop or desktop computers, which will provide students the access they need to take online Palomar College courses, conduct online research, participate in webinars and online class discussions, and connect with other key resources particular to individual courses including instructor-provided materials.

We would like the other \$5,000 to support other student technology needs. The internet “hotspot” budgeting will provide a means for students to use a link to internet connectivity. We will provide six months of internet access to students who need this. These funds will support students through the spring, summer and fall semesters, which will continue to be held mostly in the remote learning environment. Additionally, funds will be used to support other technology needs of our San Marcos students, such as webcams, software, computer accessories and printer cards.

SAN MARCOS COMMUNITY FOUNDATION
Program Budget Worksheet
COVID-19 EQUITY PROGRAM FOR SAN MARCOS STUDENTS IN HIGHER EDUCATION
2021-2022

| | |
|--|----------------------|
| 500 desktop/laptop computers | \$100,000.00 |
| Technology- internet "hotspots", printer cards, webcams, software, accessories | \$ 17,000.00 |
| - 100 internet hotspots (6-month subscriptions): | \$12,000.00 |
| - 100 printer cards | \$ 2,500.00 |
| - Webcams, software, chargers, USB cables | \$ 2,500.00 |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| Total budget for this PROJECT: | \$ 117,000.00 |

Grant Request Amount: **\$ 10,000.00**
(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)

Is this a challenge grant? No

Could it be? N/A

Please list any other funding sources for this project.

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

| | |
|--|------|
| \$10,000 April Christine Woods Fund | **C |
| \$ 5,000 County Board of Supervisors- District 5 | **C |
| \$ 1,500 CECO | ** C |
| \$ 5,000 Steinberg Fund | **C |
| \$10,000 Escondido Charitable Foundation | **P |

**Palomar College Foundation
Organizational Budget FY 2021**

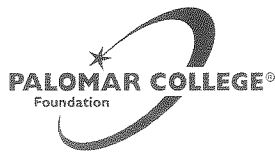
| REVENUE | |
|--|---------------------|
| Contributions - Scholarships | \$ 350,000 |
| General Contributions | \$ 750,000 |
| Foundation Grants | \$ 100,000 |
| Fundraisers / Special Events | \$ 200,000 |
| In-Kind Support (College District Funding) | \$ 550,000 |
| Investment Return | \$ 40,000 |
| Other Income | \$ 40,000 |
| TOTAL REVENUE | \$ 2,030,000 |
| EXPENSES | |
| Supporting Services | |
| - Donated Services and Facilities * | \$ 450,000 |
| - Additional Personnel & Services | \$ 85,000 |
| - Fundraising Events | \$ 45,000 |
| - Cultivation Events | \$ 8,200 |
| - Stewardship / Communication / Social Media | \$ 7,500 |
| - Printing/Creative Services | \$ 6,000 |
| - Postage | \$ 3,000 |
| - Travel/Mtgs/Seminars/Misc. | \$ 4,600 |
| - Office Supplies/Equipment | \$ 3,500 |
| - Professional Services/Support | \$ 20,000 |
| - Software and Support | \$ 17,000 |
| - Memberships /Professional Affiliations | \$ 10,000 |
| Total Supporting Services Expense | \$ 659,800 |
| Program Services | |
| - Grants/Allocations | \$ 600,000 |
| - Scholarships Disbursed | \$ 500,000 |
| - Fundraising Events | \$ 30,000 |
| - Donated Services and Facilities * | \$ 100,000 |
| - Supplemental Wage Expense | - |
| - Other Expenses | \$ 0 |
| Total Program Services Expense | \$ 1,230,000 |
| TOTAL EXPENSES AND SERVICES | \$ 1,889,800 |

* Salaries & Benefits / Services & Facilities (donated by the Palomar College District)

PALOMAR COLLEGE FOUNDATION

Federal Tax ID#: 95-6094128

State Tax ID#: 352-5078-6



Board of Directors—2021

Pete Rogers, *Chair*

Guardian, Park Avenue Securities, LLC
Carlsbad, CA
Pete_Rogers@glic.com/ (760) 585-4008

Dr. Li Tian, *Secretary*

Senior Marketing Director, Transamerica Financial Advisors, Inc.
San Diego, CA
Tianl99@gmail.com/ (760) 218-8351

Malena Bennett, *Treasurer* Realtor/Owner,

Malena & Associates
Carlsbad, CA
M@AskMalena.com/ (858) 382-5006

Scotty Lombardi, *Immediate Past-Chair*

Senior Manager Global Talent, Hunter Industries
San Marcos, CA
Scott.lombardi@outlook.com/ (760) 304-7297

Directors:

Aaron Byzak

Chief External Affairs Officer, Tri-City Medical Center
Vista, CA
byzakaj@tcmc.com/ 760-889-3609

Dr. Luene Corwin

Retired Educator/Community Leader
Carlsbad, CA
lhcorwin@cox.net/ (760) 201-6790

Margo Cobain

Senior Account Rep/Public Relations, EDCO
San Marcos, CA
mcobian@edcodisposal.com/ 760-744-5615 ext.111

Brian Humphreys

Director of Communications

Northrop Grumman Rancho Bernardo

Carlsbad, CA

Brian.A.Humphreys@ngc.com/ (703) 853-7199

Celia Garcia

Regional Development Manager, Thermo Fisher Scientific

Carlsbad, CA

Celia.garcia@thermofisher.com/ (760) 409-0238

Will Rivera

Branch Manager, Cal Coast Credit Union

San Marcos, CA

wrivera@calcoastcu.org/ (619) 972-4947

Stephanee Taylor

Vice President/Relationship Manager, Wells Fargo

San Diego, CA

stephanee.n.taylor@wellsfargo.com/ (619) 699-3186

(Rev. January 2020)

Department of the Treasury
Internal Revenue ServiceReturn 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

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

PALOMAR COLLEGE FOUNDATION
1140 W. MISSION ROAD
SAN MARCOS, CA 92069

D Employer identification number

95-6094128

E Telephone number

760-744-1150

G Gross receipts \$ 1,637,038.

F Name and address of principal officer:

Same As C Above

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: WWW.PALOMAR.EDU/FOUNDATION

H(c) Group exemption number

K Form of organization: ☐ Corporation ☐ Trust ☐ Association ☒ Other L Year of formation: 1959 M State of legal domicile: CA

Part I Summary

| | | | | |
|-----------------------------|-----|---|---------------------------|--------------|
| Activities & Governance | 1 | Briefly describe the organization's mission or most significant activities: THE PALOMAR COLLEGE FOUNDATION, WITH THE SUPPORT OF THE COMMUNITY, SECURES SUPPLEMENTAL FUNDING, OTHER RESOURCES, AND PROVIDES PROGRAM SUPPORT FOR THE BENEFIT OF PALOMAR COMMUNITY COLLEGE AND ITS STUDENTS. | | |
| | 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 | 9 |
| | 5 | Total number of individuals employed in calendar year 2019 (Part V, line 2a) | 5 | 0 |
| | 6 | Total number of volunteers (estimate if necessary) | 6 | 11 |
| | 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 39 | 7b | 0. |
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 | Program service revenue (Part VIII, line 2g) | 2,343,026. | 1,352,856. |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 210,837. | 201,800. |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 24,689. | -8,460. |
| | 12 | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 2,578,552. | 1,546,196. |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 2,091,782. | 980,742. |
| | 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) | | |
| | 16a | Professional fundraising fees (Part IX, column (A), line 11e) | | |
| | b | Total fundraising expenses (Part IX, column (D), line 25) | | |
| | 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 380,112. | 384,753. |
| | 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 2,471,894. | 1,365,495. |
| Net Assets or Fund Balances | 19 | Revenue less expenses. Subtract line 18 from line 12 | 106,658. | 180,701. |
| | 20 | Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | 21 | Total liabilities (Part X, line 26) | 7,978,667. | 9,116,295. |
| | 22 | Net assets or fund balances. Subtract line 21 from line 20 | 48,620. | 53,496. |
| | | | 7,930,047. | 9,062,799. |

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

STACY RUNGAITIS

Executive Director

Type or print name and title

Paid
Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed PTIN

BRIAN HADLEY

Brian Hadley

9/21/20

P00067183

Firm's name Wilkinson Hadley King & Co. LLP

Firm's address 218 W. Douglas Ave

El Cajon, CA 92020

Firm's EIN 52-2354566

Phone no. 619-447-6700

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 01/21/20

Form 990 (2019)

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:

THE PALOMAR COLLEGE FOUNDATION, WITH THE SUPPORT OF THE COMMUNITY, SECURES
SUPPLEMENTAL FUNDING, OTHER RESOURCES, AND PROVIDES PROGRAM SUPPORT FOR THE BENEFIT
OF PALOMAR COMMUNITY COLLEGE AND ITS STUDENTS.

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

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

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

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

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

4a (Code:) (Expenses \$ 1,277,779. including grants of \$ 980,742.) (Revenue \$ 1,546,196.)
GRANTS, ALLOCATIONS, AND SCHOLARSHIPS FOR THE BENEFIT OF THE STUDENTS AT PALOMAR
COMMUNITY COLLEGE.

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

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

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

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

4e Total program service expenses 1,277,779.

PALOMAR COLLEGE FOUNDATION
FINANCIAL STATEMENTS
FOR YEARS ENDED
DECEMBER 31, 2019 AND 2018

**PALOMAR COLLEGE FOUNDATION
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| Statements of Financial Position | 2 |
| Statements of Activities | 3 |
| Statements of Functional Expenses..... | 5 |
| Statements of Cash Flows | 7 |
| Notes to Financial Statements | 8 |

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA



Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Palomar College Foundation

We have audited the accompanying financial statements of Palomar College Foundation, (a non-profit organization), which comprise the statements of financial position as of December 31, 2019 and 2018 and the related statements of activities 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 Palomar College Foundation as of December 31, 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.

Wilkinson Hadley King & Co., LLP

El Cajon, California
July 28, 2020

El Cajon Office
218 W. Douglas Avenue El Cajon, CA 92020
Tel. (619) 447-6700 Fax (619) 447-6707

Berkeley Office
2001 Addison Street, 3rd Floor, Berkeley, CA 94704
Tel. (510) 679-6900 Fax (510) 679-6901

**PALOMAR COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

| | 2019 | 2018 |
|--|----------------------------|----------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 314,204 | \$ 294,953 |
| Accounts Receivable | 17,325 | 18,714 |
| Current Contribution Receivable, Net | - | 98,181 |
| Short-Term Investments | 4,261,222 | 3,611,509 |
| Prepaid Expenses | - | 491 |
| Total Current Assets | <u>4,592,751</u> | <u>4,023,848</u> |
| Fixed Assets: | | |
| Property and Equipment, Net | <u>1,367</u> | <u>890</u> |
| Non-Current Assets: | | |
| Endowment Investments | 4,279,904 | 3,740,903 |
| Investments Held Under Split-Interest Agreements | <u>242,273</u> | <u>213,024</u> |
| Total Non-Current Assets | <u>4,522,177</u> | <u>3,953,927</u> |
| TOTAL ASSETS | <u><u>\$ 9,116,295</u></u> | <u><u>\$ 7,978,665</u></u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 9,565 | \$ - |
| Payable to Beneficiaries, Current Portion | <u>4,975</u> | <u>4,687</u> |
| Total Current Liabilities | <u>14,540</u> | <u>4,687</u> |
| Long-term Liabilities: | | |
| Payable to Beneficiaries, Net of Current Portion | <u>38,956</u> | <u>43,931</u> |
| TOTAL LIABILITIES | <u>53,496</u> | <u>48,618</u> |
| NET ASSETS | | |
| Without Donor Restrictions | 1,450,636 | 1,204,040 |
| With Donor Restrictions | <u>7,612,163</u> | <u>6,726,007</u> |
| TOTAL NET ASSETS | <u>9,062,799</u> | <u>7,930,047</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 9,116,295</u></u> | <u><u>\$ 7,978,665</u></u> |

The accompanying notes are an integral part of this statement

**PALOMAR COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|--------------|
| REVENUE AND SUPPORT | | | |
| General Contributions | \$ 123,282 | \$ 955,904 | \$ 1,079,186 |
| Contributions From Fund Raising Events | 260,744 | - | 260,744 |
| Grants | - | 77,703 | 77,703 |
| Donated Services and Facilities | 646,355 | - | 646,355 |
| Investment Return, Net | 377,321 | 750,337 | 1,127,658 |
| Increase in Value of Beneficial Interests in Remainder Trusts | - | 2,282 | 2,282 |
| Net Assets Released From Restrictions, Satisfaction of Program Restrictions | 900,070 | (900,070) | - |
| TOTAL REVENUE AND SUPPORT | 2,307,772 | 886,156 | 3,193,928 |
| EXPENSES | | | |
| Program Services: | | | |
| Grants/Allocations | 444,023 | - | 444,023 |
| Scholarships | 536,719 | - | 536,719 |
| Donated Services and Facilities | 549,402 | - | 549,402 |
| Salaries and Benefits | 146,264 | - | 146,264 |
| Fund Raising Events | 14,647 | - | 14,647 |
| Total Program Services | 1,691,055 | - | 1,691,055 |
| Supporting Services: | | | |
| Clerical Support | 51,461 | - | 51,461 |
| Software, Support and Training | 32,322 | - | 32,322 |
| Printing and Duplicating | 10,813 | - | 10,813 |
| Consulting Fees | 41,100 | - | 41,100 |
| Travel and Conference | 3,804 | - | 3,804 |
| Audit and Tax Preparation | 11,950 | - | 11,950 |
| Office Expenses | 15,337 | - | 15,337 |
| Other Operating Expenses | 26,519 | - | 26,519 |
| Fund Raising Events | 58,590 | - | 58,590 |
| Donated Services and Facilities | 96,953 | - | 96,953 |
| Memberships and Board Meetings | 20,828 | - | 20,828 |
| Depreciation | 444 | - | 444 |
| Total Supporting Services | 370,121 | - | 370,121 |
| TOTAL EXPENSES | 2,061,176 | - | 2,061,176 |
| INCREASE (DECREASE) NET ASSETS | 246,596 | 886,156 | 1,132,752 |
| NET ASSETS, BEGINNING OF YEAR | 1,204,040 | 6,726,007 | 7,930,047 |
| NET ASSETS, END OF YEAR | \$ 1,450,636 | \$ 7,612,163 | \$ 9,062,799 |

The accompanying notes are an integral part of this statement

**PALOMAR COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| REVENUE AND SUPPORT | | | |
| General Contributions | \$ 125,964 | \$ 1,859,576 | \$ 1,985,540 |
| Contributions From Fund Raising Events | 294,459 | - | 294,459 |
| Grants | - | 151,250 | 151,250 |
| Donated Services and Facilities | 614,133 | - | 614,133 |
| Investment Return, Net | (144,978) | (257,190) | (402,168) |
| Increase in Value of Beneficial Interests in Remainder Trusts | - | 3,407 | 3,407 |
| Net Assets Released From Restrictions, Satisfaction of Program Restrictions | <u>1,907,457</u> | <u>(1,907,457)</u> | <u>-</u> |
| TOTAL REVENUE AND SUPPORT | 2,797,035 | (150,414) | 2,646,621 |
| EXPENSES | | | |
| Program Services: | | | |
| Grants/Allocations | 1,400,008 | - | 1,400,008 |
| Scholarships | 695,181 | - | 695,181 |
| Donated Services and Facilities | 522,013 | - | 522,013 |
| Salaries and Benefits | 159,597 | - | 159,597 |
| Fund Raising Events | <u>12,728</u> | <u>-</u> | <u>12,728</u> |
| Total Program Services | 2,789,527 | - | 2,789,527 |
| Supporting Services: | | | |
| Clerical Support | 33,687 | - | 33,687 |
| Software, Support and Training | 18,244 | - | 18,244 |
| Printing and Duplicating | 11,081 | - | 11,081 |
| Consulting Fees | 48,600 | - | 48,600 |
| Travel and Conference | 6,623 | - | 6,623 |
| Audit and Tax Preparation | 12,450 | - | 12,450 |
| Office Expenses | 14,075 | - | 14,075 |
| Other Operating Expenses | 25,470 | - | 25,470 |
| Fund Raising Events | 50,912 | - | 50,912 |
| Donated Services and Facilities | 92,120 | - | 92,120 |
| Memberships and Board Meetings | 23,973 | - | 23,973 |
| Depreciation | <u>1,245</u> | <u>-</u> | <u>1,245</u> |
| Total Supporting Services | 338,480 | - | 338,480 |
| TOTAL EXPENSES | <u>3,128,007</u> | <u>-</u> | <u>3,128,007</u> |
| INCREASE (DECREASE) NET ASSETS | (330,972) | (150,414) | (481,386) |
| NET ASSETS, BEGINNING OF YEAR | <u>1,535,012</u> | <u>6,876,421</u> | <u>8,411,433</u> |
| NET ASSETS, END OF YEAR | <u>\$ 1,204,040</u> | <u>\$ 6,726,007</u> | <u>\$ 7,930,047</u> |

The accompanying notes are an integral part of this statement

**PALOMAR COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

| | Program Services | | | |
|---------------------------------|------------------------|---------------------------|--------------------------------|---------------------|
| | Educational Support | Management and General | Fundraising and Development | Total |
| Grants and Other Assistance | \$ 444,023 | \$ - | \$ - | \$ 444,023 |
| Scholarships | 536,719 | - | - | 536,719 |
| Donated Services and Facilities | 549,402 | 58,172 | 38,781 | 646,355 |
| Salaries and Benefits | 146,264 | 30,877 | 20,584 | 197,725 |
| Advertising and Promotion | 9,667 | - | 38,669 | 48,336 |
| Occupancy | 4,980 | - | 19,921 | 24,901 |
| Professional Services | - | 41,100 | - | 41,100 |
| Training and Development | - | 32,322 | - | 32,322 |
| Printing and Duplicating | - | 10,813 | - | 10,813 |
| Travel and Conference | - | 3,804 | - | 3,804 |
| Audit and Tax Preparation | - | 11,950 | - | 11,950 |
| Office Expenses | - | 15,337 | - | 15,337 |
| Membership and Board Meetings | - | 20,828 | - | 20,828 |
| Other Operating Expenses | - | 26,519 | - | 26,519 |
| Depreciation | - | 444 | - | 444 |
| Total Expenses By Function | <u>\$ 1,691,055</u> | <u>\$ 252,166</u> | <u>\$ 117,955</u> | <u>\$ 2,061,176</u> |

The accompanying notes are an integral part of this statement

**PALOMAR COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

| | Program Services | | | |
|---------------------------------|--------------------------------|-----------------------------------|--|---------------------|
| | <u>Educational Support</u> | <u>Management and General</u> | <u>Fundraising and Development</u> | <u>Total</u> |
| Grants and Other Assistance | \$ 1,400,008 | \$ - | \$ - | \$ 1,400,008 |
| Scholarships | 695,181 | - | - | 695,181 |
| Donated Services and Facilities | 522,013 | 55,272 | 36,848 | 614,133 |
| Salaries and Benefits | 159,597 | 20,212 | 13,475 | 193,284 |
| Advertising and Promotion | 7,340 | - | 29,362 | 36,702 |
| Occupancy | 5,388 | - | 21,550 | 26,938 |
| Professional Services | - | 48,600 | - | 48,600 |
| Training and Development | - | 18,244 | - | 18,244 |
| Printing and Duplicating | - | 11,081 | - | 11,081 |
| Travel and Conference | - | 6,623 | - | 6,623 |
| Audit and Tax Preparation | - | 12,450 | - | 12,450 |
| Office Expenses | - | 14,075 | - | 14,075 |
| Membership and Board Meetings | - | 23,973 | - | 23,973 |
| Other Operating Expenses | - | 25,470 | - | 25,470 |
| Depreciation | - | 1,245 | - | 1,245 |
| Total Expenses By Function | <u>\$ 2,789,527</u> | <u>\$ 237,245</u> | <u>\$ 101,235</u> | <u>\$ 3,128,007</u> |

The accompanying notes are an integral part of this statement

**PALOMAR COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase in Net Assets | \$ 1,132,752 | \$ (481,386) |
| Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation | 444 | 1,245 |
| (Gain) Loss on Investments | (949,769) | 588,044 |
| Increase in Value of Beneficial Interests in Remainder Trusts | (2,282) | (3,407) |
| Distribution of Investments Under Split-Interest Agreements | 11,969 | 12,823 |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable | 1,389 | 30,124 |
| Prepaid Expenses | 491 | 152 |
| Pledge Receivable, Net | 98,181 | 98,633 |
| Accounts Payable | 9,565 | (14,440) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 302,740 | 231,788 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | \$ (921) | \$ - |
| Proceeds From Sale of Investments | 8,465 | 207,353 |
| Purchase of Investments | (291,033) | (336,289) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | (283,489) | (128,936) |
| NET INCREASE (DECREASE) IN CASH | 19,251 | 102,852 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 294,953 | 192,101 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 314,204</u> | <u>\$ 294,953</u> |

The accompanying notes are an integral part of this statement

**PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

A. Organization and Summary of Significant Accounting Policies:

Nature of Activities

Palomar College Foundation (Foundation) is a California nonprofit organization established in 1959 to secure supplemental funding and other resources for the benefit of the students and faculty of Palomar Community College District (District). The Foundation's programs include student scholarships, faculty grants, donor-designated funds, and special projects. The Foundation receives contributions to support the students and programs of the District.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Revenues are recorded in the accounting period they become both measurable and available. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

Use of Estimates

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

Funds from split-interest agreements will not be available to the Foundation until the occurrence of a specific event; therefore, the amounts received by the Foundation will be different than reported and the difference could be material.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Entities*, and Accounting Standards Update (ASU) No. 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958 and ASU No. 2016-14, the Foundation is required to report information regarding its financial position and activities to two classes of net assets; net assets with donor restrictions and net assets without donor restrictions.

Cash and Cash Equivalents

For the purpose of the statement of financial position and the statement of cash flows, the Foundation considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)**

A. Organization and Summary of Significant Accounting Policies: (Continued)

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions received are recorded with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. It has been the policy of the Foundation that donations are considered to be available for unrestricted use unless specifically restricted by the donor.

Investments

The Foundation records investment purchases at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Accounts Receivable and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for scholarships, grants, and fundraising activities. The Foundation determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. As of December 31, 2019 and 2018, no allowance for uncollectible accounts has been recorded.

Contributions Receivable

The Foundation records unconditional contributions receivable that are expected to be collected within one year as net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in the contribution revenue in the statements of activities. The Foundation determines the allowance for uncollectible contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At December 31, 2019 and 2018 no allowance for uncollectible contributions receivable has been recorded.

Contributed Materials and Services

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. The Foundation receives a significant amount of donated services from unpaid volunteers who assist in fundraising and in carrying out the Foundation's operations. The services do not meet the criteria for recognition under ASC No. 958 and are, therefore, not recognized in the financial statements.

PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)

A. Organization and Summary of Significant Accounting Policies: (Continued)

Property and Equipment

Acquisitions of property and equipment of \$500 or more are capitalized and are recorded at cost. Donated property and equipment are recorded at fair market value at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to seven years.

Assets Held and Liabilities Under Split-Interest Agreements

Charitable Trusts:

The Foundation acts as trustee for various irrevocable trusts. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash or other assets to the Foundation, in whole or in part, for a specified period, or upon the occurrence of a specific event. Since the trusts are irrevocable, the trust assets are recorded at fair value, and a related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the trust liability is recorded as a contribution with donor restrictions until such amount is received via trust distribution or is expended in satisfaction of the donor-restricted purpose stipulated by the trust agreement, or both, if any. At that time, net assets with donor-imposed time or purpose restrictions are released to net assets without restrictions, and net assets with donor restrictions that are perpetual in nature are transferred to the endowment. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the trust, the remaining liability is removed and recognized as income.

Charitable Gift Annuities:

Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of the receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution without donor restrictions. In subsequent years, the liability for future annuity payments is reduced by the payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year.

All gift annuities are negotiated between the Foundation and the donor/annuitant, and based on the rate tables approved by the California Insurance Commissioner for gift annuity agreements. The assets are included in investments held under split-interest agreements and the liabilities for the net present value of the annuity payments are included in payable to beneficiaries in the statements of financial position.

**PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)**

A. Organization and Summary of Significant Accounting Policies: (Continued)

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addressed 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 Foundation has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Advertising Costs

Advertising costs are expensed as incurred. There were no advertising costs for the years ended December 31, 2019 and 2018.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Foundation reports contributions restricted by the donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)

A. Organization and Summary of Significant Accounting Policies: (Continued)

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 may be subject to tax on income which is not related to its exempt purpose. No such unrelated business taxable income was reported and, therefore, no provision for income taxes has been made. The Foundation is not a private foundation.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through July 28, 2020 the date the financial statements were available to be issued.

B. Cash:

Cash balances on hand and in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by financial institutions is entirely insured or collateralized.

Cash consists of the following:

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| California Bank & Trust Checking | \$ 314,204 | \$ 287,496 |
| California Bank & Trust Clearing Account | <u>-</u> | <u>7,457</u> |
| | <u>\$ 314,204</u> | <u>\$ 294,953</u> |

C. Investments:

Investments consists of the following:

| | <u>2019</u> | <u>2018</u> |
|-------------------------|---------------------|---------------------|
| Mutual funds: | | |
| Marketable securities | \$ 6,340,244 | \$ 5,588,148 |
| Real estate investments | 15,160 | 19,800 |
| Trust funds | 612,997 | 538,036 |
| Other mutual funds | 371,602 | 354,799 |
| Money market funds | <u>1,443,396</u> | <u>1,064,653</u> |
| | <u>\$ 8,783,399</u> | <u>\$ 7,565,436</u> |

Investments are carried at fair value, and realized and unrealized gains and losses are reflected within investment return, net in the statement of activities.

**PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)**

C. Investments (Continued):

Investment return and its classification for the year ended December 31, 2019 included in the statement of activities is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---------------------------------------|---------------------------------------|------------------------------------|---------------------|
| Interest and dividends | \$ 65,850 | \$ 127,485 | \$ 193,335 |
| Realized gain (loss) on investments | - | 8,465 | 8,465 |
| Unrealized gain (loss) on investments | 319,070 | 630,699 | 949,769 |
| Investment fees | <u>(7,599)</u> | <u>(16,312)</u> | <u>(23,911)</u> |
| | <u>\$ 377,321</u> | <u>\$ 750,337</u> | <u>\$ 1,127,658</u> |

Investment return and its classification for the year ended December 31, 2018 included in the statement of activities is as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---------------------------------------|---------------------------------------|------------------------------------|---------------------|
| Interest and dividends | \$ 63,916 | \$ 96,196 | \$ 160,112 |
| Realized gain (loss) on investments | - | 50,725 | 50,725 |
| Unrealized gain (loss) on investments | (199,482) | (388,562) | (588,044) |
| Investment fees | <u>(9,412)</u> | <u>(15,549)</u> | <u>(24,961)</u> |
| | <u>\$ (144,978)</u> | <u>\$ (257,190)</u> | <u>\$ (402,168)</u> |

Investment Accounting Policy

The Foundation's general policy is to report money market investments and short-term participating interest-earning investment contracts at cost with all other investments being reported at fair value unless a legal contract exists which guarantees a higher value.

All funds of the Foundation are invested in a prudent manner with the intention to pursue a long-term investment objective of consistent capital growth through priority objectives of a) preservation of capital, b) liquidity sufficient for annual spending, and c) long-term income growth. Diversification policy states that no security shall exceed 2% of the portfolio (excluding treasury and agency securities and commingled fund vehicles) and bond quality shall be a minimum weighted average fixed income rating of "A" grade with bond maturity having an average duration not to exceed seven years.

The Foundation's policy for endowments and endowed scholarship funds states that the endowed principal will be invested in those assets which have the highest statistical probability of preserving, in real rather than nominal terms, the corpus, while generating the maximum possible rate of return. Investment parameters include a) investing the funds on a long-term basis (five years or more), consistent capital growth, preserving the principal, and accepting minimal market risk.

**PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)**

D. Fair Value Measurements and Disclosures:

The Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the Foundation develops inputs using the best information available.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assessing the significance of a particular input to entire measurement requires judgement, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of the Foundation's investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption rates. The following table presents assets measured at fair value on a recurring basis, except those measured at cost:

PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)

D. Fair Value Measurements and Disclosures (Continued):

The following tables presents assets measured at fair value on a recurring basis, except those measured at cost as identified in the following at December 31, 2019 and 2018:

| Assets December 31, 2019 | Total | Quoted Prices In Active Markets For Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|---------------------|--|---|--|
| Operating investments: | | | | |
| Cash and money markets funds (at cost) | \$ 1,435,726 | \$ - | \$ - | \$ - |
| Marketable securities | 2,582,111 | 2,582,111 | - | - |
| Other mutual funds | 243,385 | 243,385 | - | - |
| | <u>\$ 4,261,222</u> | <u>\$ 2,825,496</u> | <u>\$ -</u> | <u>\$ -</u> |
| Assets held under split-interest agreements: | | | | |
| Marketable securities | <u>\$ 242,273</u> | <u>\$ 242,273</u> | <u>\$ -</u> | <u>\$ -</u> |
| Endowment investments: | | | | |
| Cash and money markets funds (at cost) | \$ 7,670 | \$ - | \$ - | \$ - |
| Marketable securities | 3,515,860 | 3,515,860 | - | - |
| Trust funds | 612,997 | 612,997 | - | - |
| Other mutual funds | 128,217 | 128,217 | - | - |
| Real estate funds | 15,160 | 15,160 | - | - |
| | <u>\$ 4,279,904</u> | <u>\$ 4,272,234</u> | <u>\$ -</u> | <u>\$ -</u> |

| Assets December 31, 2018 | Total | Quoted Prices In Active Markets For Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|---------------------|--|---|--|
| Operating investments: | | | | |
| Cash and money markets funds (at cost) | \$ 1,056,620 | \$ - | \$ - | \$ - |
| Marketable securities | 2,322,509 | 2,322,509 | - | - |
| Other mutual funds | 232,380 | 232,380 | - | - |
| | <u>\$ 3,611,509</u> | <u>\$ 2,554,889</u> | <u>\$ -</u> | <u>\$ -</u> |
| Assets held under split-interest agreements: | | | | |
| Marketable securities | <u>\$ 213,024</u> | <u>\$ 213,024</u> | <u>\$ -</u> | <u>\$ -</u> |
| Endowment investments: | | | | |
| Cash and money markets funds (at cost) | \$ 8,033 | \$ - | \$ - | \$ - |
| Marketable securities | 3,052,615 | 3,052,615 | - | - |
| Trust funds | 538,036 | 538,036 | - | - |
| Other mutual funds | 122,419 | 122,419 | - | - |
| Real estate funds | 19,800 | 19,800 | - | - |
| | <u>\$ 3,740,903</u> | <u>\$ 3,732,870</u> | <u>\$ -</u> | <u>\$ -</u> |

PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)

E. Accounts Receivable:

There are no significant current receivables which are not scheduled for collection within one year of year end. Accounts receivable consist of the following:

| | 2019 | 2018 |
|--------------------------|---------------|---------------|
| Scholarship donations | \$ 9,827 | \$ 8,000 |
| Grants and contributions | 6,738 | 8,014 |
| Special events | 760 | 2,700 |
| | <u>17,325</u> | <u>18,714</u> |
| Totals | \$ 17,325 | \$ 18,714 |

All current accounts receivable as of December 31, 2019 and 2018 are considered collectible by management. As a result, no allowance for doubtful accounts has been recorded. Current contribution receivables, net of amortized discount, are disclosed and presented under Note F.

F. Contributions Receivable:

The Foundation records unconditional promises to give as contributions receivable. In May 2015, the Foundation entered into a contribution agreement with Hunter Industries Incorporated (Donor) whereby the donor irrevocably promises \$50,000 to the Foundation to be donated \$10,000 annually over a period of five years beginning November 1, 2015. The donor's contribution is being matched by an additional contribution of \$450,000 as a grant from the Hunter Family Advised Fund at the Rancho Santa Fe Foundation to be donated \$90,000 annually over a period of five years beginning November 1, 2015. The total contribution of \$500,000 is to be used in support of renovation of the greenbelt on the eastern end of Palomar College's San Marcos campus (The Arboretum Project). The collection of these contributions receivable may be affected by economic conditions within the geographic area.

Contributions receivable are presented at the present value of estimated futures cash flows using the Foundation's earnings rate with Bernstein Money Market Account of 0.46%. At December 31, 2018 the face amount of contributions receivable is \$100,000 and the amortized discount is \$1,819. Contributions receivable are classified as net assets with donor restrictions with no allowance for uncollectable contributions receivable and are due to be received as follows:

| | 2019 | 2018 |
|--------------------------------|-------------|------------------|
| Within one year | \$ - | \$ 100,000 |
| In one to five years | <u>-</u> | <u>-</u> |
| Total contributions receivable | - | 100,000 |
| Less: unamortized discount | <u>-</u> | <u>(1,819)</u> |
| Contributions receivable, net | <u>\$ -</u> | <u>\$ 98,181</u> |

**PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)**

G. Property and Equipment:

Property and equipment consists of the following:

| | <u>2019</u> | <u>2018</u> |
|-------------------------------|-----------------|-----------------|
| Furniture and equipment | \$ 35,329 | \$ 34,408 |
| Less accumulated depreciation | <u>(33,962)</u> | <u>(33,518)</u> |
| Totals | <u>\$ 1,367</u> | <u>\$ 890</u> |

H. Accounts Payable:

Accounts payable consists of the following:

| | <u>2019</u> | <u>2018</u> |
|-----------------------|-----------------|-------------|
| Salaries and benefits | <u>\$ 9,565</u> | <u>\$ -</u> |

I. Payables To Beneficiaries:

The Foundation has received contributions under charitable gift annuities. The Foundation agrees to pay a stated amount annually to the beneficiaries as long as they live, at which time, the remaining assets are available for use by the Foundation. Total assets held under split-interest agreements as of December 31, 2019 and 2018 are \$242,273 and \$213,024, respectively, and the actuarial present value of the Foundation's interest in the gift annuities are \$198,342 and \$164,406 respectively. At December 31, 2019, the amounts payable to beneficiaries are \$43,931, of which \$4,975 is current and \$38,956 is long-term. At December 31, 2018, the amounts payable to beneficiaries are \$48,618 of which \$4,687 is current and \$43,931 is long-term. Payable to beneficiaries is the present value of the expected future cash flows to be paid to the beneficiaries.

The principal valuation technique for the split interest agreements is the present value of beneficial interests. As of December 31, 2019 and December 31, 2018 the range of significant input values in the split interest trusts reflected discount rates ranging from 1.2%-4.2% with a payout rate ranging from 5.00%-11.02%. At least annually, management determines if the current valuation techniques used in fair value measurements are still appropriate and evaluates and adjusts the inputs used in the fair value measurements based on current market conditions and third-party information.

**PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)**

I. Payables To Beneficiaries (Continued):

Future amounts payable to beneficiaries from charitable gift annuities are as follows:

| Year Ended December 31, | Principal | Interest | Total |
|----------------------------|------------------|------------------|------------------|
| 2020 | \$ 4,975 | \$ 2,525 | \$ 7,500 |
| 2021 | 5,280 | 2,220 | 7,500 |
| 2022 | 5,604 | 1,896 | 7,500 |
| 2023 | 5,948 | 1,552 | 7,500 |
| 2024 | 6,313 | 1,187 | 7,500 |
| 2025-2027 | 15,811 | 6,689 | 22,500 |
| Total | <u>\$ 43,931</u> | <u>\$ 16,069</u> | <u>\$ 60,000</u> |

J. Net Assets Without Donor Restrictions:

All net assets without donor restrictions are undesignated. There are no net assets without donor restrictions that have been designated by the governing board for a specific purpose.

K. Net Assets With Donor Restrictions:

Net assets with donor restrictions consist of the following:

| | 2019 | 2018 |
|---|---------------------|---------------------|
| Purpose Restricted: | | |
| Subject to expenditure for specified purpose | | |
| Departmental funds | \$ 722,810 | \$ 929,887 |
| Internal scholarship funds | 560,334 | 423,407 |
| Palomar Promise | 707,125 | 531,474 |
| Auxiliary organization funds | 51,869 | 44,088 |
| Charitable remainder trusts | 195,332 | 159,593 |
| Arboretum Hubbell structure | 46,304 | 41,196 |
| Total Purpose Restricted | <u>2,283,774</u> | <u>2,129,645</u> |
| Perpetual In Nature: | | |
| Subject to Foundation spending policy and appropriation | | |
| Endowment funds | 4,653,184 | 4,030,245 |
| External scholarship funds | 675,205 | 566,117 |
| Total Perpetual In Nature | <u>5,328,389</u> | <u>4,596,362</u> |
| Total Net Assets With Donor Restrictions | <u>\$ 7,612,163</u> | <u>\$ 6,726,007</u> |

L. Endowment Funds:

The Foundation's endowments consists of approximately thirty-five individual funds established by donors to provide annual funding for specific activities and general operations. The Foundation's board of directors has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of December 31, 2019 and 2018, there were no stipulations.

PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)

L. Endowment Funds (Continued):

As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including contributions receivable, net of discount and allowance for doubtful accounts) donated to the endowment funds and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation 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 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.

As of December 31, 2019 and 2018, the Foundation had the following endowment net asset composition by type of fund:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| <u>December 31, 2019</u> | | | |
| Board-designated endowment funds | \$ - | \$ - | \$ - |
| Donor-restricted endowment funds | | | |
| Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor | - | 3,751,702 | 3,751,702 |
| Accumulated investment gains | - | 901,482 | 901,482 |
| | <u>\$ -</u> | <u>\$ 4,653,184</u> | <u>\$ 4,653,184</u> |
| <u>December 31, 2018</u> | | | |
| Board-designated endowment funds | \$ - | \$ - | \$ - |
| Donor-restricted endowment funds | | | |
| Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor | - | 3,474,700 | 3,474,700 |
| Accumulated investment gains | - | 555,545 | 555,545 |
| | <u>\$ -</u> | <u>\$ 4,030,245</u> | <u>\$ 4,030,245</u> |

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of December 31, 2019 and December 31, 2018.

PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)

L. Endowment Funds (Continued):

Investment and Spending Policies

The Foundation has adopted investment and spending policies for the endowments that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. The target minimum rate of return is the Consumer Price Index plus five percent on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Foundation uses an endowment spending-rate formula to determine the maximum amount to spend from the endowments, including those endowments deemed to be underwater, each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the average fair value of the endowment investments for the prior twelve quarters at December 31 of each year to determine the spending amount for the upcoming year. During 2019 and 2018, the spending rate maximum was 4.5 percent. In establishing this policy, the Foundation considered the long-term expected return on the endowments and set the rate with the objective of maintaining the purchasing power of the endowments over time.

Changes in endowment assets for the years ended December 31, 2019 and 2018 are as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| <u>Year Ended December 31, 2019</u> | | | |
| Endowment net assets, beginning of year | \$ - | \$ 4,030,245 | \$ 4,030,245 |
| Investment return, net | - | 632,190 | 632,190 |
| Contributions | - | 185,470 | 185,470 |
| Appropriation of endowment assets pursuant to spending-rate policy | - | (194,721) | (194,721) |
| Endowment net assets, end of year | <u>\$ -</u> | <u>\$ 4,653,184</u> | <u>\$ 4,653,184</u> |
| <u>Year Ended December 31, 2018</u> | | | |
| Endowment net assets, beginning of year | \$ - | \$ 3,975,888 | \$ 3,975,888 |
| Investment return, net | - | (157,279) | (157,279) |
| Contributions | - | 336,289 | 336,289 |
| Appropriation of endowment assets pursuant to spending-rate policy | - | (124,653) | (124,653) |
| Endowment net assets, end of year | <u>\$ -</u> | <u>\$ 4,030,245</u> | <u>\$ 4,030,245</u> |

**PALOMAR COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Continued)**

M. Related Party Transactions:

The District is the primary beneficiary of the Foundation. To assist the Foundation in carrying out its purpose, the Foundation has a master agreement with the District whereby the District provides administrative support to the Foundation. The District pays 100% of the salaries and benefits of the Executive Director, two Development Officers, and the Accountant. In addition, the District provides free use of facilities.

Donated services and facilities for the year ended December 31, 2019 and for the year ended December 31, 2018 was \$646,355 and \$614,133, respectively. These amounts are included as donated services and facilities and as operating expenses in the statements of activities for the years ended December 31, 2019 and 2018.

N. Liquidity and Availability:

The Foundation's 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> | <u>2018</u> |
|---------------------------|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 314,204 | \$ 294,953 |
| Accounts Receivable | 3,625 | 360 |
| Short-Term Investments | <u>1,437,090</u> | <u>2,303,622</u> |
| Totals | <u>\$ 1,754,919</u> | <u>\$ 2,598,935</u> |

The Foundation's endowment funds consist of donor-restricted endowments and income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As part of the Foundation'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 Foundation invests cash in excess of daily requirements in short-term investments. As part of the liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments, certificates of deposit, and money market funds.

Charles Carr

March 20, 2021

Re: San Marcos Community Foundation Arts & Culture Grant

City of San Marcos
ATTN: San Marcos Community Foundation
1 Civic Center Drive
San Marcos CA 92069

Dear San Marcos Community Foundation board members,

Thank you immensely for considering our organization, Art Animates Life/North County Players, for a San Marcos Community Foundation Arts & Culture grant for 2021-22.

Art Animates Life (North County Players) will give first priority to San Marcos/Lake San Marcos residents for acting, crewing, and production positions. We will also first query San Marcos nonprofits, community venues, and businesses with sufficient space for a location to stage our Dec. 2021 theater production, "Charles Dickens' It's a Wonderful Life." Previous years' shows have taken place at many San Marcos venues including the Charity Wings Arts Center, the San Marcos Historical Society, and the San Marcos Civic Center.

All of this years' Art Animates Life Films' PSAs and promos will benefit San Marcos-based charities. Previous AAL Films PSAs have benefitted the San Marcos Foundation for Senior Wellbeing, San Marcos' Wounded Warrior Homes, San Marcos' Charity Wings Arts Center, and others.

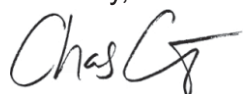
For more than a decade Art Animates Life has offered professional quality short PSAs and promos for vital North County charities and nonprofits and extremely low -- or zero -- tuition fees for enrollees in our Young Filmmaker Series. For North County Players theater productions, we offer greatly-reduced ticket prices to the general public as-well-as no 'pay for play' fees of any kind for actor/crew participants.

Additionally, press materials and documents associated with our theatrical project and credits in our PSA/promo credit rolls will conspicuously reflect our deep appreciation of a SMCF grant.

Funding will be used for production expenses, event space rental, marketing costs, and computer and video equipment.

If we're so fortunate, a SMCF grant will make a tangible and lasting contribution to our shared cultural environment by greatly helping to provide access to both theatrical and filmic art forms to innumerable local organization, families, and individuals.

Sincerely,



Charles Caratti
President, Art Animates Life, Inc. - North County Players



North County Players
2021-22 President



2021-22 President



Columnist/Contributor



Contributor



Community Content
Producer

Charles Carr

March 20, 2021

Re: San Marcos Community Foundation Arts & Culture Grant

City of San Marcos
ATTN: San Marcos Community Foundation
1 Civic Center Drive
San Marcos CA 92069

Dear San Marcos Community Foundation board members,

Below is a list of Art Animates Life board members including residency information as part of our organization's application for a 2021-22 San Marcos Community Foundation Arts & Culture Grant. Four of six live in San Marcos. All six have work ties to the city.

Charles Caratti

(president) lives in Valley Center but over the past 20 years has penned many newspaper columns and articles (as Charles Carr) featuring San Marcos which have appeared in 'The North County Times,' 'The Californian,' 'The Times-Advocate,' and 'The San Diego Union-Tribune.'

Alex Caratti

(secretary) 470 Via Arboles, San Marcos

Marcelle Caratti

(vice president) lives in Valley Center but often works with San Marcos' Pathways Academy (292 East Barham Drive) and has had many San Marcos residents as a private music instructor.

Sean Scruggs

(board member) 470 Via Arboles, San Marcos

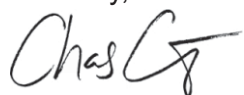
Peter Bunn

(board member) 3535 Linda Vista Dr. Sadly, Peter passed away recently. We plan to replace him at our next board meeting with another San Marcos resident, likely also from Rancho Vallecitos Mobile Home Park, where we rehearse most of our shows.

Everett Newcomb

(board member) 470 Via Arboles, San Marcos

Sincerely,



Charles Caratti (Charles Carr)
President, Art Animates Life, Inc. - North County Players



North County Players
2021-22 President



2021-22 President



Columnist/Contributor



Contributor



Community Content
Producer

City of San Marcos
Art and Cultural Grant Application Form 2021

Grant request: \$ 1700

Total Program Budget: \$ 6100

Name of Organization: Art Animates Life / North County Players / Art Animates Life Films

Contact Person Charles Caratti (Charles Carr) Title President

Organization Address 30497 Lilac Road, Valley Center, CA 92082

Phone: 760-933-9173_____

Fax: n/a_____

Email: charles@carrfamily.com Web address: artanimateslife.org / northcountypayers.org

Number Paid staff 0 _____ Number volunteer staff 50-75 _____

Geographic Area Served: San Marcos-centric, but serving all of San Diego North County

Describe your organization in the space below):

With San Diego North County returning to pre-COVID normalcy, Art Animates Life, along with its theatrical offshoot, North County Players, and Art Animates Life Films, produce live stage productions, public service announcements (PSAs), and other events to benefit local nonprofits and members of the community.

Over the past decade Art Animates Life events and projects have benefited many essential local charities including San Marcos ' Charity Wings Art Center, the San Marcos VFW's Veterans' Relief Fund, the San Marcos Historical Society, San Marcos Wounded Warrior Homes, the San Marcos Foundation for Senior Wellbeing, The Escondido Arts Partnership, The Park Avenue Center, Paradise Community Services, PowPAC, and others.

Art Animates Life's president for 2021-22 is Charles Caratti (Charles Carr), a writer for the San Diego Union-Tribune, the Californian, the Times-Advocate, and many other publications. Mr. Caratti has penned literally thousands of bi-lined articles, columns, and features, often specifically focusing on San Marcos area events and issues. His articles and columns have been featured on local news segments and included in high school and college textbooks, some likely used in SD North County curriculums.

Describe the project seeking grant funding: *(Please use font size 11 point or larger)*
[Discuss its goals, your plan to carry out the project, project timeline and readiness, proposed venue and target audience, and whether this is a paid or free event. Please include how this event will promote San Marcos.]

As our community moves into a post-COVID era, a grant from SMCF would facilitate a theatrical production and public service announcements (PSAs) specifically benefiting San Marcos nonprofits with a particular emphasis on ones helping community members who were most affected in the aftermath of the virus.

People on both sides of the theatrical proscenium are eager to return to better times, so This year's production will be North County Player's, "Charles Dickens' It's a Wonderful Life." Past beneficiaries have included the Charity Wings Art Center, the San Marcos Historical Society, Survivors of Suicide Loss, VetTix, and the San Marcos VFW.

Grant funds would be used for facility and truck rentals, set construction, props, printing, costumes, and lighting, sound, camera and video equipment, and computer video editing equipment.

Art Animates Life events promote tourism and economic development by promoting our vibrant, grassroots art community that is well integrated with governmental and other social institutions.

Donations from entities and individuals allow us to both maximize returns to our beneficiaries and keep ticket prices extremely low. North County Players ticket prices are typically 1/2 to 2/3 LESS than is normally charged for productions of comparable quality while providing a creative crucible that allows new artists to work side-by-side with seasoned pros in real world on-stage environments.

Considering widespread social network penetration and ad buys (Facebook, The Reader, San Diego Magazine, the Times-Advocate, The Paper, et al.), web sites, and deep saturation with banners and flyers, the effective reach is many thousands.

A grant from the San Marcos Community Foundation would be prominently noted in all press releases and on distributables including banners, flyers, video credits, show programs, and other promotional materials.

Community Support:

[Please describe actions that indicate community support for this event. Describe additional funding sources for the event if applicable. Provide details of in-kind or cash contributions. Describe any steps taken to get additional funds or in-kind support for this event.]

Over the past decade, Art Animates Life/North County Players theatrical productions have raised tens of thousands of dollars for North County San Diego area disaster relief, an arts nonprofit, a veterans museum, a municipal gallery, a community outreach center, an historical society, a veterans relief fund, several struggling community theaters, and more. Thousands of Southern California residents have attended North County Players shows.

No member of Art Animates Life receives payment in any form, including actors, production team members, and all commissions and royalties normally incurred by nationally published playwright, Charles Carr.

Our newly-expanded video production capability, branded Art Animates Life Films (AALF), has already produced several public service announcements (PSAs) for area nonprofits including San Marcos' Charity Wings Arts Center, Escondido's Art Hatch, San Marcos' Wounded Warrior Homes, and San Marcos' Foundation for Senior Wellbeing.

The PSAs and short films we produce are provided absolutely free-of-charge to the associated charity and can be used by them without restriction for fundraising, organization web sites, grant procurement, general public education, and countless other purposes. In addition to PSAs, AALF recently produced a short film film ("Sky Takes a Bite Out of Crime") as part of our Young Filmmaker Series which was named a featured selection at the San Diego International Kids' Film Festival and has gone on to garner many YouTube views. "Sky" included several young actors and tech persons from the San Marcos and surrounding areas.

Our model benefits the greater community in several important ways:

- > Offers financial support for essential North County (often San Marcos) charities.
- > Provides excellent live theater at greatly reduced ticket prices and professional quality video productions free of charge.
- > Never charges a 'pay-to-play' fee of ANY kind, further enabling every member of the acting and creative community the opportunity to participate regardless of financial situation.
- > Produces shows and videos that are not only entertaining but educative and historically significant.
- > Finally, because Art Animates Life is a complete production entity that owns its own lights, sound, sets, props, costumes, video projection, and more, we are able to stage events at venues which would not otherwise be financially viable (e.g., a municipal gallery, an arts center in an industrial district, a veterans museum, a nearly 100-year-old community theater, a prohibitively-expensive larger theater's 'black box') in addition to renting fully-purposed local facilities if price fits our stringent budget guidelines. Previous years' shows have taken place at many San Marcos venues including the Charity Wings Arts Center, the San Marcos Historical Society, and the San Marcos Civic Center. ALL of this years' Art Animates Life Films' PSAs and promos (noted above) will benefit San Marcos-based charities.

As noted in our cover letter, Art Animates Life will give first priority to San Marcos/Lake San Marcos residents for all acting, crewing, and production positions. We will also first query San Marcos nonprofits, community venues, and businesses with sufficient space for a location to stage the show. Promotional and press materials associated with both events will reflect the above, as-well-as our receipt of and deep appreciation for a SMCF grant.

Our primary goal is to nurture and grow both venerated and burgeoning American art forms by helping to ensure they remain accessible to ALL members of the community, regardless of personal means. Every family should be able to experience the unique wonder of live theater and every charity should be able to spread the word about the essential public works they perform via high-quality PSAs and short documentaries.

Project Budget

Project Income:

Donated Income:

| | | |
|----------------------------------|-----|-------|
| Individual contributions | 700 | _____ |
| Business/Corporate Contributions | 0 | _____ |
| Other Government grants | 0 | _____ |
| Foundation Grants | 0 | _____ |
| Other grants | 0 | _____ |

Earned Income:

| | | |
|------------------------|------------------------|-------|
| Admission/Ticket Sales | 4400 | _____ |
| Other | 600 (concession sales) | _____ |

| | | |
|-----------------------|---|-------|
| In-kind contributions | 0 | _____ |
|-----------------------|---|-------|

| | | |
|---|------|-------|
| San Marcos Art and Cultural Grant request | 1700 | _____ |
|---|------|-------|

| | | |
|---------------|------|-------|
| TOTAL INCOME: | 7400 | _____ |
|---------------|------|-------|

Project Expenses:

| | | |
|------------------------------------|---------------|-------|
| Administrative Personnel | 0 (volunteer) | _____ |
| Artistic Personnel | 0 (volunteer) | _____ |
| Program/Production/Exhibition Cost | 2200 | _____ |
| Facility Rental | 2500 | _____ |
| Artist Fees | 0 (volunteer) | _____ |
| Promotion/Marketing Costs | 900 | _____ |
| Office Supplies and Materials | 250 | _____ |
| Other | 350 | _____ |

| | | |
|-------------------------|------|-------|
| Total Project expenses: | 6100 | _____ |
|-------------------------|------|-------|

Favorable consideration will be given to those applicants having matching funds.

Non-Profit Certification

Is your organization incorporated as a non-profit organization? yes

If "YES"

Date of incorporation as a non-profit: Aug. 2013_____
Federal Tax ID#: 46-3620003_____

If "NO"

Name of sponsoring organization: _____
Its Federal Tax ID#: _____

We certify that the information contained in this application, and its attachments, is true and correct to the best of our knowledge. We also hereby certify that our organization is in compliance with all state, federal and local laws regarding licensing and employment practices.



Charles Caratti, President

Signature and title of individual preparing the application form

Print Name

AND



Marcelle Stokes Caratti, Vice President

Signature and title of President or authorized officer

Print Name

Return Application by email to: cityclerk@san-marcos.net

Or by mail to:

San Marcos Community Foundation
City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069-2987

Due Date: THURSDAY, APRIL 1, 2021 BY 5:00 P.M.

Applications received after the due date and time will not be accepted.

**ARTS-PB-
501(c)(3)****Articles of Incorporation of a
Nonprofit Public Benefit Corporation**

To form a **nonprofit public benefit corporation** in California, you can fill out this form or prepare your own document, and submit for filing along with:

- A \$30 filing fee.
- A separate, non-refundable \$15 service fee also must be included, if you drop off the completed form or document.

Important! California nonprofit corporations are not automatically exempt from paying California franchise tax or income tax each year. A separate application is required in order to obtain tax exempt status. For more information, go to https://www.ftb.ca.gov/businesses/exempt_organizations or call the California Franchise Tax Board at (916) 845-4171.

Note: Before submitting this form, you should consult with a private attorney for advice about your specific business needs.

FILED
Secretary of State
State of California

AUG 08 2013

ICC

This Space For Office Use Only

For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm

Corporate Name (List the proposed corporate name. Go to www.sos.ca.gov/business/be/name-availability.htm for general corporate name requirements and restrictions.)

- ① The name of the corporation is ART ANIMATES LIFE

Corporate Purpose (Item 2a: Check one or both boxes. Item 2b: The specific purpose of the corporation must be listed if you are organizing for "public" purposes, or if you intend to apply for tax-exempt status in California.)

- ② a. This corporation is a nonprofit **Public Benefit Corporation** and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for: ☒ public purposes. ☒ charitable purposes.
- b. The specific purpose of this corporation is to Produce entertainment to benefit non-profits and community organizations.

Service of Process (List a California resident or an active 1505 corporation in California that agrees to be your initial agent to accept service of process in case your corporation is sued. You may list any adult who lives in California. You may not list your own corporation as the agent. Do not list an address if the agent is a 1505 corporation as the address for service of process is already on file.)

- ③ a. A. Charles Caratti
Agent's Name
- b. 30497 Lilac Rd. Valley Center CA 92082
Agent's Street Address (if agent is not a corporation) - Do not list a P.O. Box City (no abbreviations) State Zip

Corporate Addresses

- ④ a. 30497 Lilac Rd. Valley Center CA 92082
Initial Street Address of Corporation - Do not list a P.O. Box City (no abbreviations) State Zip
- b. _____
Initial Mailing Address of Corporation, if different from 4a City (no abbreviations) State Zip

Additional Statements (The following statements are required to obtain tax exemption from the Internal Revenue Service or the California Franchise Tax Board under Internal Revenue Code section 501(c)(3). Note: Corporations seeking other types of tax exemptions should not use this form.)

- ⑤ a. This corporation is organized and operated exclusively for the purposes set forth in Article 2a hereof within the meaning of Internal Revenue Code section 501(c)(3).
- b. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.
- c. The property of this corporation is irrevocably dedicated to the purposes in Article 2a hereof and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.
- d. Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable, educational and/or religious purposes and which has established its tax-exempt status under Internal Revenue Code section 501(c)(3).

This form must be signed by each incorporator. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of incorporation.

[Signature]
Incorporator - Sign here

Charles Caratti
Print your name here

Make check/money order payable to: **Secretary of State**
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5 certification fee.

By Mail
Secretary of State
Business Entities, P.O. Box 944260
Sacramento, CA 94244-2600

Drop-Off
Secretary of State
1500 11th Street, 3rd Floor
Sacramento, CA 95814

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

DEPARTMENT OF THE TREASURY

Date: **MAY 13 2014**

ART ANIMATES LIFE INC
C/O A CHARLES CARATTI
30497 LILAC RD
VALLEY CENTER, CA 92082

Employer Identification Number:
46-3620003
DLN:
17053276322043
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
August 08, 2013
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.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Sincerely,



Director, Exempt Organizations

Enclosure: Publication 4221-PC

Letter 947



State of California
Department of Justice

Office of the
Attorney General

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For more detailed information on an organization's registration, click on the Organization Name from the alphabetical list below. If there are additional pages of the search results, there will be clickable page numbers at the bottom of the list. The maximum number of pages is 25 so if you do not find the organization for which you are searching, click the 'Search Again' button and change the search criteria.

Search Again

| <u>Organization Name</u> | <u>Registration Type</u> | <u>Registration Status</u> | <u>Registration Number</u> | <u>Applicant Number</u> | <u>FEIN</u> | <u>City</u> | <u>State</u> |
|--------------------------|--------------------------|----------------------------|----------------------------|-------------------------|-------------|---------------|--------------|
| <u>ART ANIMATES LIFE</u> | Charity Registration | Current | CT0204159 | 1481750 | 463620003 | VALLEY CENTER | CA |



Alex Padilla California Secretary of State



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- Contact

Business Entities (BE)

- Online Services
 - File LLC Statement of Information
 - File Corporation Statement of Information
 - Business Search
 - Current Processing Dates
 - Disclosure Search
- 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 Resources
 - Tax Information
 - Starting A Business Checklist

Business Search - Results

The California Business Search is updated daily and reflects work processed through Tuesday, February 26, 2019. 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.

- Select an entity name below to view additional information. Results are listed alphabetically in ascending order by entity name, or you can select a column title to change the sort order.
- To refine the search results, enter a word or a string of words in the "Narrow search results" box. The "Narrow search results" will search on all fields of the initial search results.
- For information on checking or reserving a name, refer to [Name Availability](#).
- For information on requesting a more extensive search, refer to [Information Requests](#).
- For help with searching an entity name, refer to [Search Tips](#).
- For descriptions of the various fields and status types, refer to [Frequently Asked Questions](#).

Results of search for Corporation Name keyword "art animates life" returned 1 entity record (out of 1 record found).

Show entities per page

Narrow search results:

| Entity Number | Registration Date | Status | Entity Name | Jurisdiction | Agent for Service of Process |
|---------------|-------------------|--------|-----------------------------------|--------------|------------------------------|
| C3596006 | 08/08/2013 | ACTIVE | ART ANIMATES LIFE | CALIFORNIA | CHARLES CARATTI |

Showing 1 to 1 of 1 entities