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## **SAN MARCOS COMMUNITY FOUNDATION GRANT FUNDING SUBCOMMITTEE MEETING AGENDA**

**Wednesday, May 12, 2021 – 6:00 PM**

**Online**

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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](mailto: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](http://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 three proposals from non-profit organizations requesting Foundation funds.

- a. **Canine Companions for Independence** - \$1,454 request for Lighting Improvement. **CONSIDER/APPROVE**
- b. **Girl Scouts of San Diego** - \$1,500 request for K-5 scout troops at low-income schools, led by trained CSUSM volunteers. **CONSIDER/APPROVE**
- c. **REINS Therapeutic Horsemanship Program** - \$1,500 request for San Marcos Student Health Development Scholarships. **CONSIDER/APPROVE**

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

- a. **Big Brothers and Big Sisters San Diego County** - \$5,000 request to recruit, train, and support long-term mentoring relationships for 7-18 year old at-promise youth. **CONSIDER/RECOMMEND**
- b. **Feeding San Diego** - \$10,000 request for Mobile Pantry in San Marcos. **CONSIDER/RECOMMEND**
- c. **Mama's Kitchen** - \$5,000 request for support of medically-tailored meals to people dealing with significant health issues. **CONSIDER/RECOMMEND**
- d. **Palomar College Foundation** - \$10,000 request for Covid-19 Equity Program for San Marcos Students in Higher Education. **CONSIDER/RECOMMEND**
- e. **Voices for Children** - \$2,500 request to recruit, train, match and support volunteers to serve as Court Appointed Special Advocates for foster youth. **CONSIDER/RECOMMEND**
- f. **Coastal Roots Farm** - \$6,000.00 request to fund supplies and materials for student activity packets to take home, education staffing for onsite and virtual program implementation and maintenance of outdoor learning spaces. **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 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
<b>Total Grants Awarded FY 20/21</b>	<b>\$56,760</b>				



## Grant Requests for May 2021

Nonprofit	Program	# San Marcos Residents Served	Summary	Lead	Request	Recommend	Granted
			<b>Mini-grants</b>				
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.	K	\$1,454		
Girl Scouts San Diego	Membership Initiative for San Marcos	50-60	To provide uniforms, program materials, and park space for K-5 girls at two low-income San Marcos schools, with leadership provided by trained CSUSM student volunteers.	C	\$1,500		
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		
			<b>Regular Grants</b>				
Big Brothers and Big Sisters San Diego County	Mentoring Programs for At-Promise Youth in San Marcos	25-30	To support long-term mentoring relationships between carefully matched and trained adults, and at-promise young people (7-18 years old).	C	\$5,000		
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.	S	\$10,000		
Mama's Kitchen	Home-Delivered Meal Service - San Marcos	30	To provide medically-tailored meals to people dealing with significant health issues such as cancer, HIV/AIDS, congestive heart failure, etc. Three meals per day plus snacks are provided, along with nutritional guidance.	C	\$5,000		

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 for laptops, internet connections, and other tech.	K	\$10,000		
Voices for Children	Court Appointed Special Advocates (CASA)	20	To recruit, train, match, and support volunteers to serve as Court Appointed Special Advocates for foster youth. Currently 23 San Marcos residents are CASAs, supporting children.	C	\$2,500		
Coastal Roots Farm	Environmental STEM & Nutrition Education Program	180	To fund the cost of supplies and materials for student activity packets to take home, education staffing for onsite and virtual program implementation and maintenance of outdoor learning spaces.		\$6,000		
			<b>Total</b>		<b>\$42,954</b>		
			<b>Arts and Culture Grants</b>				
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		
	Funds from the City		<b>Totals</b>		<b>\$1,700</b>	<b>\$0</b>	<b>\$0</b>

**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. <b>Both Mini-Grant &amp; Regular:</b> 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 <b>5. Regular Grants Only:</b> 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): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a>	

**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:** **\$1,453.90**

**Grant Request Amount:** **\$1,453.90**

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

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](http://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**

<b>Celentano, Joseph</b> Executive Vice President Retirement Solutions Division Pacific Life Insurance Company Newport Beach, California <a href="mailto:Joseph.Celentano@PacificLife.com">Joseph.Celentano@PacificLife.com</a> 2019	<b>Gackstetter, Tim</b> Retired San Diego, California <i>Canine Companions Graduate</i> <a href="mailto:tgack@san.rr.com">tgack@san.rr.com</a> 2004
<b>Haydel, Kim</b> Vice President of Western Zone Canon Business Solutions Gardena, California <i>Canine Companions Graduate</i> <a href="mailto:kim.haydel@xerox.com">kim.haydel@xerox.com</a> 2012	<b>Hennessy, Leslie, PhD.</b> Adjunct Professor Penn State University; University of San Diego Colorado Springs, Colorado <i>National Board Member</i> <a href="mailto:catalyst.rk@gmail.com">catalyst.rk@gmail.com</a> 1998
<b>Hollenstein, Tommy</b> Artist Canoga Park, California <i>Canine Companions Graduate</i> <a href="mailto:tommystein@aol.com">tommystein@aol.com</a> 2006	<b>Ishizaki, Sheryl</b> <i>Board President</i> Director of Food and Beverage Ritz Carlton Laguna Niguel San Diego, California <a href="mailto:sheryl.ishizaki@ritzcarlton.com">sheryl.ishizaki@ritzcarlton.com</a> 2017
<b>Peluso, Jack</b> Vice President, Senior Financial Advisor Merrill Lynch Wealth Management San Diego, California <a href="mailto:dow10@aol.com">dow10@aol.com</a> 2015	<b>Rieger, Jane</b> Retired San Diego, California <a href="mailto:janerieger@mac.com">janerieger@mac.com</a> 2018
<b>Ryan, Susan, M.D.</b> Emergency Physician Care Point Health Denver, Colorado <i>Volunteer Puppy Raiser</i> <a href="mailto:jocdoc2000@gmail.com">jocdoc2000@gmail.com</a> 2017	<b>Street, Bob</b> Retired Colorado Springs, Colorado <i>National Board Member</i> <a href="mailto:bastreet@comcast.net">bastreet@comcast.net</a> 2000
<b>Thiederman, Sondra, PhD.</b> Owner Cross-Cultural Communications San Diego, California <i>Volunteer Puppy Raiser</i> <a href="mailto:stphd@thiederman.com">stphd@thiederman.com</a> 2001	<b>Torrez, Glenn</b> CEO & President Prava Construction Services, Inc. Escondido, California <a href="mailto:gdt@pravacsi.com">gdt@pravacsi.com</a> 2019
<b>Weir, Lance</b> Public Speaker Carlsbad, California <i>Canine Companions Graduate</i> <a href="mailto:lwweir@gmail.com">lwweir@gmail.com</a> 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: Girl Scout San Diego Membership Initiative for San Marcos  Date Submitted: 3/30/2021	Total # of people served: 50  Total # of San Marcos residents served: 50	Amount Requested: \$1,500	
Non-Profit Organization Name and Address, Website Girl Scouts San Diego 1231 Upas St San Diego, CA 92103 www.sdgirlscouts.org	Contact Person – Name, Title & Phone, email Shelby Woulfe Foundation Relations Officer (619) 915-0923 swoulfe@sdgirlscouts.org		
<p><b><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u></b></p> <p>Girl Scouts San Diego respectfully requests San Marcos Community Foundation's support in expanding and strengthening our programming in San Marcos. Through a partnership with Cal State San Marcos, Girl Scouts San Diego has recruited and trained college student volunteers to lead Girl Scout troops for girls, K-5, in San Marcos. We anticipate serving 60 girls from San Marcos Elementary and La Mirada Academy. For our troops, once it is safe to do so, we will host an event for our San Marcos Girl Scouts and their families, partaking in engaging, hands-on activities to bond our troops to one another and allow the families to see the positive impact Girl Scouts' programming has on the girls. San Marcos Community Foundation's support will fund program supplies, the park reservation fee for the event, and the basics of the Girl Scout uniform to ensure that each girl feels connected to their troops and to Girl Scouts for years to come.</p>			
<p><b><u>Briefly describe the significance of your request to the San Marcos community:</u></b></p> <p>Girl Scouts San Diego plays a critical role in building strong futures. We understand the vital connection between young girls' development and their future success and offer a unique and innovative leadership experience. Research has shown that Girl Scouts stand out significantly from non-Girl Scouts and are better prepared for success: they are more likely to develop a strong sense of self, form healthy relationships, display positive values, seek challenges, and be a community problem-solver. All Girl Scouts are equally likely to develop these benefits, regardless of social class, age, geographical location, race, ethnicity, or degrees of engagement in other extracurricular activities. Girl Scouts helps girls develop into leaders and sets them up for future success.</p>			
Please attach the following items. <b><u>Both Mini-Grant &amp; Regular:</u></b> <ol style="list-style-type: none"> <li>1. Budget for request (use SMCF Budget Worksheet)</li> <li>2. Annual Operating budget for the organization or unit</li> <li>3. Federal &amp; State Tax ID numbers</li> <li>4. Board of Directors listing with affiliations</li> </ol> <b><u>5. Regular Grants Only:</u></b> <ol style="list-style-type: none"> <li>a. 1-2 page narrative</li> <li>b. First 2 pages of Federal 990</li> <li>c. Most recent year-end Statement or Audit including any management letters associated with Audit.</li> <li>d. Signature of President or Authorized Officer on Application</li> <li>e. Optional: letters of support</li> </ol>		Expected date project will begin/end: 7/1/2021 & 3/31/2022  Date by which funds will be expended: 3/31/2022  <hr/> Signature of President or Authorized Officer  <hr/> <div style="display: flex; justify-content: space-between;"> <span>Name, Title</span> <span>Date</span> </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): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a>	

**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)

**Uniforms**

**Daisy Tunic (\$14.63/each); Petal badges (\$6.38/per girl);**  
**Membership pin (\$1.88/per girl); Troop Numbers (\$5.25/per girl) =**  
**(\$28.13/per girl x 20 Daisy Girl Scouts = \$562.50)** **\$ 562.50**

**Brownie/Junior Sash (\$5.25/each), Skill badges (\$9/per girl);**  
**Membership pin (\$1.88/per girl); Troop Numbers (\$5.25/per girl) =**  
**(\$22.88/per girl x 30 Brownies and Juniors = \$686.40)** **\$ 686.40**

**Program Materials**

**Supplies - All Age Levels (Crayon box (\$1.17); Glue stick (\$0.22); Scissors (\$0.86);**  
**Construction paper (\$0.82) = (\$3.07/per girl x 50 girls = \$184.20)** **\$ 153.50**

**Park Permit in San Marcos**

**Medium-sized shelter type for 50-100 people for four hours flat rate** **\$ 100.00**

**Total budget for this PROJECT:** **\$ 1,502.40**

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

Is this a challenge grant? No

Could it be? No

**Please list any other funding sources for this project.**

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

N/A

**Girl Scouts San Diego  
Summary Operating Budget  
FY2021**

**REVENUE**

Contributions	\$ 1,688,588
Federal & State Contracts/Grants	124,000
Program Revenue	1,574,912
Product Program Revenue	8,108,737
Miscellaneous Revenue	12,000
<b>TOTAL REVENUE</b>	<b>\$ 11,508,237</b>

**OPERATING EXPENSES**

**Personnel and Related**

Salaries	\$ 7,072,246
Benefits/Vacation	670,646
Payroll Taxes	643,494
<b>Total Personnel and Related</b>	<b>\$ 8,386,386</b>

**Non-personnel**

Professional Fees	\$ 531,237
Supplies	510,805
Communications & Data Services	180,155
Postage & Shipping	53,785
Occupancy	697,930
Forestry Maintenance	166,800
Insurance	198,808
Equipment Purchase (non-capital < \$5,000)	107,001
Equip & SW Rental/Repair/Maint	515,845
Printing & Distribution	146,583
Transportation	265,639
Conferences, Meetings & Training	172,181
Public Relations and Marketing	36,462
Organization Dues	25,599
Miscellaneous expense	94,916
Awards & Tokens of Appreciation	35,831
Program/Training Events	21,430
Girl /Adult Assistance	274,194
<b>Total Non-personnel</b>	<b>\$ 4,035,201</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 12,421,587</b>
---------------------------------	----------------------

<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (913,350)</b>
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CINCINNATI OH 45999-0038

In reply refer to: 0248219434  
Apr. 17, 2018 LTR 4168C 0  
95-1644585 000000 00  
00015428  
BODC: TE

GIRL SCOUTS SAN DIEGO-IMPERIAL  
COUNCIL INC  
GIRL SCOUTS SAN DIEGO  
% GIRL  
1231 UPAS ST  
SAN DIEGO CA 92103-5127

026343

Employer ID number: 95-1644585  
Form 990 required: Yes

Dear Taxpayer:

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

We issued you a determination letter in September 1947, 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 Section 509(a)(2).

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

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

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

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

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

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

0248219434

Apr. 17, 2018 LTR 4168C 0

95-1644585 000000 00

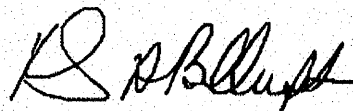
00015429

GIRL SCOUTS SAN DIEGO-IMPERIAL  
COUNCIL INC  
GIRL SCOUTS SAN DIEGO  
% GIRL  
1231 UPAS ST  
SAN DIEGO CA 92103-5127

time).

Thank you for your cooperation.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Kim A. Billups", written in a cursive style.

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](http://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



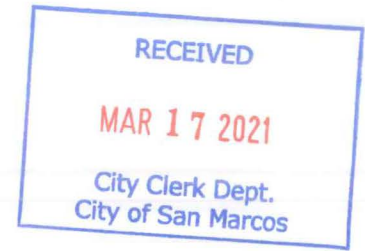
## 2021 Board of Directors

Officers	Professional Affiliation	Contact Info
Liza Crisafi, Chair	Chief Investment Officer, San Diego City Employees' Retirement System	ecrisafi@sdcers.org
Rita Datko, Vice Chair	Vice President, Chief Financial Officer, Sharp Health Care	rita.datko@sharp.com
John "Woody" Ledford, Treasurer	CPA, Principal, Ledford Accounting	Woody@LedfordAccounting.com
Claudia Silva, Secretary	Director of Ethics & Compliance, County of San Diego	troop5026@gmail.com

Directors at Large		
Carolyn Botzenhardt	Wealth Manager, Wells Fargo Bank	Carolyn.Botzenhardt@wellsfargo.com
Natasha O. Bowman	Vice President Human Resources, Arcturus Therapeutics	natasha@arcturusrx.com
Rashmi Char	Vice President Engineering, Qualcomm	rchar@qti.qualcomm.com
Suzanne Frontz	President, Metz & Associates	suzanne@metzassociates.net
Divya Kakaiya, Ph.D.	Founder, Healthy Within Wellness	divyakakaiya@gmail.com
Roxana Kennedy	Chief of Police, City of Chula Vista	rkennedy@chulavistapd.org
Janice Kurth M.D. Ph.D.	Physician Scientist, Community Volunteer	janice@janicekurth.com
Angie Lasagna	Vice President, Marketing, Mission Federal Credit Union	AngieL@missionfed.com
Monica Piepenkotter	Private Wealth Advisor, Merrill Lynch	mpiepenkotter@roadrunner.com
Peggy Price	Retired, Director of Social Service, Imperial County	peggyprice1965@gmail.com
Emily Rex	Principal/CEO, Departure	emily.rex@dpnr.co
Rahil Swigart	Attorney, Higgs, Fletcher & Mack	swigart@higgslaw.com
Carmen Vann	Regional Project Executive, BNBuilders	carmen.vann@bnbuilders.com
Dawn Welch	Director Strategic Service, SDG&E	dwelch@sdge.com
Catherine "Cathy" Young	Vice President, Internal Auditor	cathy_young7@hotmail.com



**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 <b>R.E.I.N.S Therapeutic Horsemanship Program</b> 4461 S. Mission Rd. Fallbrook, CA 92028 Reinsprogram.org	Contact Person – Name, Title & Phone, email <b>Canece Huber</b> <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. <b>Both Mini-Grant &amp; Regular:</b> <ol style="list-style-type: none"> <li>Budget for request (use SMCF Budget Worksheet)</li> <li>Annual Operating budget for the organization or unit</li> <li>Federal &amp; State Tax ID numbers</li> <li>Board of Directors listing with affiliations.</li> </ol> <b>5. Regular Grants Only:</b> <ol style="list-style-type: none"> <li>1-2 page narrative</li> <li>First 2 pages of Federal 990</li> <li>Most recent year-end Statement or Audit including any management letters associated with Audit.</li> <li>Signature of President or Authorized Officer on Application</li> <li>Optional: letters of support</li> </ol>		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  <b>EXECUTIVE DIRECTOR</b> </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): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a>

**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)

(2) Health Development Riding Scholarships at \$750 each	\$ 1,500.00
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**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 Air Warrior Courage Foundation	** C
\$4,000 Legacy Endowment	** C
\$2,500 Clark Construction	** C
\$ _____ (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
<b>Total Income</b>	<b>\$996,000.00</b>

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
<b>Total Expense</b>	<b>\$972,000.00</b>



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: Mentoring Programs for At-Promise Youth in San Marcos  Date Submitted: April 6, 2021	Total # of people served: 700 (goal for 2021)  Total # of San Marcos residents served: 25-30	Amount Requested: \$ 5,000
Non-Profit Organization Name and Address, Website Big Brothers Big Sisters of San Diego County 4305 University Avenue, Suite 590 San Diego, CA 92105 <a href="http://www.sdbigs.org">www.sdbigs.org</a>	Contact Person – Name, Title & Phone, email Tina Rose CEO 619-504-1579 tinar@sdbigs.org	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Big Brothers Big Sisters of San Diego County is requesting funds to continue our critical work with at-promise youth in the San Marcos community. For 60 years, our organization has been a leader in the youth mentorship space throughout San Diego, as we meticulously match and support adult volunteers (Bigs) with children (Littles), ages 7-18 (support up to age 21), nurturing them through long-term mentoring relationships. We know the phenomenal power a mentorship can have on a vulnerable youth, lifting them out of hopeless situations to show not only what is possible, but instilling the self-belief to lead their life in a positive direction.</p> <p>Today, our mentoring programs are a lifeline of mental well-being for youth as they navigate unprecedented times of anxiety, uncertainty, and social isolation. Our frontline team is also addressing serious issues with families like unemployment, inability to pay rent/utilities, and rising concerns for their child's health at alarmingly acute levels including suicide attempts. Throughout the match lifetime, our team works closely with Bigs, Littles and their families to maximize the impact each mentoring relationship has on the life of the child, their family, and the community where they live. The results of a strong mentor/mentee relationship can profoundly impact a youth's ability to pursue a fulfilling career, advance economically, build healthy relationships, contribute to their community, and enjoy a better overall quality of life.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>With significant evidence pointing to the importance of prevention and early intervention when addressing mental, social, and emotional health, our goal through this grant is to leverage hundreds of volunteers committed to our mission, maximize efforts to address the critical needs for youth throughout San Marcos, and further strengthen the families of today and those generations to follow. Programming runs throughout the year with activities occurring virtually, as well as in-person within the community where Bigs and Littles reside. We currently have 8 active matches in the San Marcos community with one youth "ready to be matched" with a Big and two additional on our waiting list to be interviewed and enrolled. Considering this, we estimate 25-30 San Marcos residents to be directly and comprehensively impacted by our requested project.</p>		
Please attach the following items. <b>Both Mini-Grant &amp; Regular:</b> <ol style="list-style-type: none"> <li>1. Budget for request (use SMCF Budget Worksheet)</li> <li>2. Annual Operating budget for the organization or unit</li> <li>3. Federal &amp; State Tax ID numbers</li> <li>4. Board of Directors listing with affiliations</li> <li><b>5. Regular Grants Only:</b> <ol style="list-style-type: none"> <li>a. 1-2 page narrative</li> </ol> </li> </ol>	Expected date project will begin/end: January 2021  Date by which funds will be expended: December 2021  Signature of President or Authorized Officer  <div style="display: flex; align-items: center;"> <div>CEO, April 5, 2021</div> </div>	

<ul style="list-style-type: none"><li>b. First 2 pages of Federal 990</li><li>c. Most recent year-end Statement or Audit including any management letters associated with Audit.</li><li>d. Signature of President or Authorized Officer on Application</li><li>e. Optional: letters of support</li></ul>	<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): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a></p>
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## **Funding Request Narrative to San Marcos Community Foundation 2021**

The mission of Big Brothers Big Sisters (BBBS) is to create and support one-to-one mentoring relationships that ignite the power and promise of youth. Our vision is for all youth to achieve their full potential. BBBS is the largest, oldest, and most well-evaluated national youth mentoring program with a history spanning from the early 1900s when a NYC court clerk eventually merged his "Big Brothers" initiative with the efforts of the Catholic Big Sisters of New York in efforts to nurture young people who needed help staying on the right path and out of trouble. Big Brothers San Diego launched in 1961 by two businessmen, and in 1977, the agency was incorporated into the National organization, Big Brothers Big Sisters of America.

For the past 60 years, BBBS San Diego has operated with the belief that inherent in every child is the ability to succeed and thrive in life, regardless of challenging circumstances and experiences. We match caring adult volunteers (Bigs) with children (Littles), ages 7-18 (transitional support up to age 21), nurturing them through long-term mentoring relationships. We know the phenomenal power a mentorship can have on a vulnerable youth, lifting them out of hopeless situations to show not only what is possible, but instilling the self-belief and self-reliance to lead their life in a positive direction, all supported by the accountability and personal guidance from their Big. The profound impact can alter the entire trajectory for a child's life, fostering an individual who is empowered and confident, versus one who resorts to poor life choices, eventually relying on public funds for support. Our intent is to help young people break negative cycles, achieve sustainable independence, and raise families that thrive and contribute back to our communities.

Research shows that most youth benefit from the guidance of a trusted mentor, but for 80%+ of the youths we serve who are at higher risk of partaking in negative behaviors such as using drugs/ alcohol, skipping school, gang association, and various outcomes of repeated traumas, such as anxiety, depression, and suicidal thoughts, the need and benefits are much greater. We work with youth and families who are facing significant challenge and adverse socioeconomic factors such as poverty (80%); BIPOC (Black, Indigenous, People of Color, 77%); single parent homes (typically mother/female relative, 64%); parent incarcerated (11%); and/or parent(s) in the military (19%). Further, 75% of enrolled children are eligible for the Free/Reduced Lunch Program – an indicator of low-moderate income levels.

Our holistic approach addresses multiple social determinants, building character, improving academics, encouraging post-secondary education, introducing career opportunities and volunteering – each contributing to a new paradigm where a healthy individual can then positively influence those around them. When comparing youth matched with a BBBS mentor to those waiting to be served, researchers found those being mentored through BBBS:

- Skipped half as many days of school as did their peers
- 77% said they are doing better in school because of their mentor
- 65% agreed their mentor helped them reach a higher level of education than they thought possible
- 52% agreed their mentor kept them from dropping out of high school.

This past year has been incredibly challenging, not only for our organization, but for the hundreds of children and families we continue to serve – now needing more intensive services and support than ever before. With many youth coming to us with a background of trauma, and many families struggling to make ends meet even before this crisis began, the current environment has caused outstanding

circumstances to be an even greater obstacle in achieving long-term success. Youth and families alike need someone to count on, someone to talk to, and someone who will help them overcome the unthinkable. In supporting our proven mentoring programs, you are bringing guidance, understanding and hope to individuals throughout your community who, most often, have nowhere else to turn. Today, our program is a lifeline of well-being for these youth as they navigate unprecedented times of anxiety, uncertainty, and social isolation. Our organization is striving to meet increased demand from families, as our frontline team addresses serious issues like unemployment, lack of healthcare, inability to pay rent/utilities, and rising concerns for their child's health at alarmingly acute levels including suicide attempts. Throughout the match lifetime (currently at an all-time high average of 32.5 months), our staff checks in with all participants – offering Bigs strategies to navigate difficult conversations, and for Littles/parents, offering guidance for social/emotional, educational, and financial challenges.

We share a common goal with the San Marcos Community Foundation to enrich the quality of life for children and teens, as we help youth overcome substantial social and emotional challenges which have been further exacerbated this past year through the pandemic. Through personal, one-to-one mentoring relationships, we equip youth with the skills, opportunities, and self-belief they need to lead a positive direction for their life and serve as a meaningful influence on those around them, regardless of their circumstances. We collaborate with numerous agencies, schools, companies, and other nonprofit organizations who help create the distinguished and effective mentorship program that has altered the course of thousands of youth for decades. Further, the mentorship between a Big and Little is, in itself, the highest collaboration, igniting exponential and limitless change for the better. We thoughtfully leverage the multitude of volunteers committed to our mission in order to maximize efforts to address the various needs for San Marcos' youth, further strengthening the families of today, as well as those generations to follow.

Lastly, BBBS San Diego engages an active pipeline of donors, including individuals, private/corporate foundations, and government entities who support specific programs and projects, as well as general operating needs. We maintain close communications and ongoing stewardship with our current partners and seek to grow this pipeline through new introductions made by staff, Board of Directors, and other connectors to the organization. Our fundraising strategies include annual giving, major giving, grants, events, and our Board's "give and get" contributions. As a human/social services organization with more than 95% of our budget reliant on philanthropic contributions, we are extraordinarily grateful to generous funders who understand and value the need for our direct service staff. We intend to use the request grant funds to support the team of degreed professionals who wholeheartedly give their fullest to their work and passionately support the life-changing work of our volunteer Bigs, as well as comprehensively support the vulnerable youth and families during such a critical point in their lives. We run a frugal operation, stewarding donations to our organization with care and maximizing impact in the most efficient ways possible.

In our efforts to create life-long change in the lives of hundreds of at-promise youth and families in San Marcos, and also build meaningful relationships with those who wish to support our important work and mission, it would be an honor to include the San Marcos Community Foundation as a partner to our organization. We are sincerely grateful for your consideration.

With gratitude,



Tina Rose  
CEO, Big Brothers Big Sisters of San Diego County

**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)

1) Salaries: 8 FTE Match Support Specialists (100%), 3 Enrollment & Matching (92%), 1 Program Director (92%), 1 Manager of Match Support (92%), 1 Manager of Enrollment and Matching (92%), 1 FTE Outreach/Recruitment Manager (92%), 92% Marketing/Events Specialist and Director (92%), Admin Staff (92%), plus Benefits)	\$1,076,043
2) QA Consultant/Trainings	\$3,901
3) Supplies	\$600
4) Match Activities	\$425
5) Mileage	\$6,572
6) Translation Services	\$300
7) Overhead	\$215,209

**Total budget for this PROJECT:** **\$1,303,050**

**Grant Request Amount:** **\$5,000**\_\_\_\_\_

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

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

**Please list any other funding sources for this project.**

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

BBBS San Diego is grateful to acknowledge the following secured contributions and is diligently working to secure additional funding from those pending.

Confirmed:

Bank of America Neighborhood Builders Program - \$200,000

Walter J. and Betty C. Zable Foundation - \$75,000

Sempra Energy Foundation - \$25,000

Qualcomm Foundation - \$25,000

County of San Diego: Neighborhood Reinvestment Program, District 4 - \$18,000

The Patriots Connection - \$15,000

County of San Diego: Community Enhancement Program, District 4 - \$10,000

Conrad Prebys Foundation - \$10,000

David C. Copley Foundation - \$10,000

Nordson Corporate Foundation - \$7,500

The Elwyn Heller Foundation - \$7,500  
Teichert Foundation - \$5,000  
TEGNA Foundation - \$5,000  
Gilbert Martin Foundation - \$5,000  
San Diego County Employees Charitable Organization (CECO) - \$2,000  
BNSF Railway - \$1,500  
Fox Foundation - \$1,500  
Walmart Community Grants - \$1,250 – Confirmed

Pending:

LPL Foundation - \$75,000  
Farrell Family Foundation - \$50,000  
Hervey Family Fund - \$30,000  
Bank of America - \$25,000  
Escondido Community Foundation - \$20,000  
4S Ranch-Del Sur Community Foundation - \$7,500  
Arthur P. & Jeanette G. Pratt Memorial Fund – \$5,000  
Boys and Girls Foundation - \$5,000  
Kiwanis Club of La Jolla - \$3,000  
Community Service Association - \$1,000

## Big Brothers Big Sisters of San Diego County

### 2021 Organizational Budget

<b>Income</b>	
Events	\$885,000
Grants/Foundations	\$472,000
Corporate	\$292,500
Board Dues	\$52,700
Background Check Fees	\$7,980
Government	\$33,500
Individual Giving	\$94,000
Individual Major Gifts	\$151,500
Other/Misc.	\$16,008
<b>TOTAL INCOME</b>	<b>\$2,005,188</b>
<b>Expenses</b>	
Events	\$136,875
Conferences	\$200
Printing	\$360
Mileage/Parking	\$7,144
Travel Expenses	\$0
Meeting Expenses	\$1,100
Bank Fees	\$542
Credit Card Fees	\$9,994
BBBS Fees	\$35,590
Dues/Subscriptions	\$16,763
AMS	\$16,159
Workers Comp	\$7,741
Agency Insurance	\$6,039
Postage	\$1,200
Professional Fees	\$104,438
Rent	\$134,275
Cleaning	\$3,078
Utilities	\$9,713
IT	\$36,651
Office Supplies	\$6,000
XEROX/Copy Lease	\$13,165
Equipment Rental	\$691
Payroll	\$1,174,015
Medical Benefits (prepay)	\$144,600
Program Expenses	\$12,233
Background Fees	\$10,380
Line of Credit Pmt	\$13,200
<b>TOTAL EXPENSES</b>	<b>\$1,902,146</b>



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508, Room 4010  
Cincinnati OH 45201

In reply refer to: 4077556534  
June 26, 2008 LTR 4168C 0  
95-2151526 000000 00 000  
00039108  
BODC: TE

BIG BROTHERS BIG SISTERS OF SAN  
DIEGO COUNTY INC  
8515 ARJONS DR STE A  
SAN DIEGO CA 92126-4358730



010094

Employer Identification Number: 95-2151526  
Person to Contact: SHARON LENARD  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Mar. 18, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in June 1961, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

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

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

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






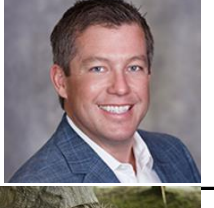

Sincerely yours,

Cindy Westcott  
Manager, EO Determinations

# BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY BOARD OF DIRECTORS





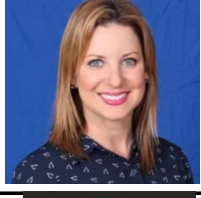



rev. 2.2021


FIRST	LAST	TITLE	COMPANY	JOINED BOARD	PHOTO
Dana	Alligood	(Board Chair) Market Executive	Bank of America	2017	
Dawn	Andrews	Assistant General Counsel - Ethics & Workplace Culture	SDG&E	2018	
Jonathan	Andrews	Partner	Atkinson, Andelson, Loya, Ruud & Romo	2009	
Jeff	Barker	Chief Operating Officer	JLab Audio	2019	
Ryan	Bates	Vice President, Head of Legal - US	SB Energy	2015	
Jan	Bourgeois	Teacher, Banker, Broker (Ret.)		1985	
Bill	Brennan	(Board Emeritus) Vice President/ Principal	CMR Risk Insurance Services Inc.	2006	

Kevin	Christensen	Founder	Aligned Financial	2020	
Robert	Cinelli	General Manager	Sycuan Casino Resort	2021	
Christine	Collins	Vice President of Human Resources	SeaSpine	2018	
Tim	Cruickshank	Chief Financial Officer	Impedimed, Inc.	2015	
Chad	Ensz	Partner	Dentons US LLP	2017	
Andrew	Ewald	First Vice President	CBRE	2019	
Philip	Harrison	Franchise Owner, Managing Director	Harrison & Associates of Ameriprise Financial	2019	
Noreen	Ippolito	Senior Vice President of Sales SD Region	iHeart Media Markets Group	2018	



Sheri	Jones			2017	
Justin	Kay	Partner	RSM US LLP	2020	
Andy	Kimball	Partner	Ernst & Young LLP	2016	
James	Langley	Partner	LDG Commercial Real Estate	2011	
Patrick (Pat)	Menke	Senior Vice President - Human Resources	Bumble Bee Seafood	2019	
Alberto	Mier y Teran	President & General Manager	KFMB Stations	2017	
Marisa	Miller	Partner	Sheppard Mullin Richter & Hampton LLP	2020	
William	Morrissey			2015	

Steven	Pacelli	Executive VP of Strategy & Corporate Development	Dexcom	2016	
Matthew	Quinn	(Board Treasurer) Vice President	Pathfinder Partners, LLC	2015	
Zeke	Rodriguez	Industrial Counsel	HP Inc.	2020	
T.D.	Rolf	Principal	RE:Align Tenant Strategies	2009	
Monica	Salem	(Board Secretary) Marketing Director	Frank Motors	2014	
Kelly	Self	VP & Senior Counsel	Energy Capital Partners	2020	
Ryan	Waterman	(Board Vice Chair) Shareholder	Brownstein Hyatt Farber Schreck	2009	
Glenn	Williams	Sr. Director	Qualcomm	2019	

					
Rich	Yousko	Owner	SJ Creations	2005	

Form **990**  
(Rev. January 2020)  
Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

**2019**

Open to Public Inspection

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

**A For the 2019 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY INC</b>		<b>D</b> Employer identification number <b>95-2151526</b>
	Doing business as		<b>E</b> Telephone number <b>(858) 536-4900</b>
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>4305 UNIVERSITY AVE STE 590</b>		
	City or town, state or province, country, and ZIP or foreign postal code <b>SAN DIEGO, CA 92105</b>		
	<b>F</b> Name and address of principal officer: <b>CHRISTINA ROSE</b> <b>SAME AS C ABOVE</b>		
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>J</b> Website: <b>WWW.SDBIGS.ORG</b>			<b>H(c)</b> Group exemption number ▶
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation: <b>1961</b> <b>M</b> State of legal domicile: <b>CA</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO IMPROVE THE LIVES OF CHILDREN BY CREATING AND SUPPORTING 1:1 MENTORING RELATIONSHIPS.</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>31</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>29</b>
	<b>5</b> Total number of individuals employed in calendar year 2019 (Part V, line 2a)	<b>5</b>	<b>45</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>1050</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 39	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>1,180,278.</b>	<b>1,503,793.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>0.</b>	<b>0.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>1,900.</b>	<b>781.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>980,797.</b>	<b>1,106,842.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>2,162,975.</b>	<b>2,611,416.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>0.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>1,972,219.</b>	<b>1,932,809.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>443,718.</b>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>467,655.</b>	<b>591,209.</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>2,439,874.</b>	<b>2,524,018.</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>-276,899.</b>	<b>87,398.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>558,793.</b>	<b>652,251.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>194,075.</b>	<b>193,335.</b>
		<b>364,718.</b>	<b>458,916.</b>

**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.

<b>Sign Here</b>	Signature of officer <b>CHRISTINA ROSE, INTERIM CEO/PRESIDENT</b>		Date 	
	Type or print name and title			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>RICHARD HOTZ</b>	Preparer's signature 	Date <b>11/16/20</b>	Check if self-employed <input type="checkbox"/> PTIN <b>P00452784</b>
	Firm's name ▶ <b>CONSIDINE &amp; CONSIDINE</b>	Firm's EIN ▶ <b>95-2694444</b>		Phone no. <b>619.231.1977</b>
	Firm's address ▶ <b>8989 RIO SAN DIEGO DRIVE, SUITE 250</b> <b>SAN DIEGO, CA 92108</b>			

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

BIG BROTHERS BIG SISTERS OF SAN DIEGO  
COUNTY INC

Form 990 (2019)

95-2151526 Page 2

**Part III** Statement of Program Service Accomplishments

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

**1** Briefly describe the organization's mission:  
TO IMPROVE THE LIVES OF CHILDREN BY CREATING AND SUPPORTING 1:1 MENTORING RELATIONSHIPS WITH PROVEN RESULTS. YOUNG PEOPLE NEED A FRIEND THEY CAN COUNT ON, LEARN FROM AND LOOK UP TO. BIG BROGHERS BIG SISTERS CREATES AND NURTURES 1:1 RELATIONSHIPS THAT ARE PRECIOUS,

**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 \$ 1,346,144. including grants of \$ ) (Revenue \$ )  
COMMUNITY MENTORING: WHERE VOLUNTEERS PROVIDE LITTLES WITH ONE-TO-ONE TIME AND ATTENTION IN THEIR COMMUNITIES. THROUGH SIMPLE FRIENDSHIP, BIGS EXPERIENCE THE JOY OF HELPING CHILDREN DISCOVER A NEW WORLD OF POSSIBILITIES AND OPPORTUNITIES. INCLUDED IN COMMUNITY MENTORING ARE AYANA, MEANING "HELPER" IN ARAMAIC, THE AYANA PROGRAM HELPS CHALDEAN REFUGEE CHILDREN NAVIGATE THE CHALLENGES OF ASSIMILATION AND INTEGRATION INTO US CULTURE BY PROVIDING ADULT CHALDEAN MENTORS WHO UNDERSTAND THEIR CHALLENGES; BIGS WITH BADGES, CREATED TO HELP BRIDGE THE DIVIDE BETWEEN POLICE AND THE COMMUNITIES WE SERVE BY ENCOURAGING POLICE OFFICERS TO VOLUNTEER AS BIG BROTHERS OR BIG SISTERS WITH YOUTH FROM UNDERSERVED COMMUNITIES. THESE FRIENDSHIPS PROVIDE POSITIVE OUTCOMES FOR THE CHILDREN AND PROMOTE IMPROVED POLICE-COMMUNITY

**4b** (Code: ) (Expenses \$ 411,932. including grants of \$ ) (Revenue \$ )  
SITE BASED MENTORING: WHICH INCLUDES OPERATION BIGS, ACTIVE DUTY AND CIVILIAN VOLUNTEERS FAMILIAR WITH MILITARY LIFE PROVIDE FRIENDSHIP AND GUIDANCE TO CHILDREN OF ACTIVE-DUTY PARENTS IN A SCHOOL-BASED SETTING, PROVIDING AN EXTRA LAYER OF SUPPORT TO HELP THESE CHILDREN COPE WITH THE CHALLENGES OF MILITARY LIFESTYLE; BEYOND SCHOOL WALLS, THIS PROGRAM ALLOWS COMPANIES TO GIVE BACK TO THEIR COMMUNITY BY HOSTING CHILDREN FROM AREA SCHOOLS IN A REAL-LIFE WORK ENVIRONMENT. EMPLOYEE VOLUNTEERS AND CHILDREN MEET TOGETHER TO BUILD PERSONAL RELATIONSHIPS WHILE DISCUSSING TOPICS THAT AID CHILDREN IN PERSONAL AND LEADERSHIP DEVELOPMENT, WHICH HELPS THEM CREATE A VISION FOR A MORE POSITIVE FUTURE; BEYOND SCHOOL WALLS STEM, HOSTED AT STEM-BASED CORPORATIONS, EMPLOYEES PROVIDE ONE-TO-ONE MENTORING PLUS EXPOSURE TO AN EXPERIENTIAL

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

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

**4e** Total program service expenses **1,758,076.**

Form 990 (2019)

**BIG BROTHERS BIG SISTERS  
OF SAN DIEGO COUNTY, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**

	<b><u>Pages</u></b>
I     Index	1
II    Independent auditor's report	2 - 3
III   Statements of financial position	4
IV    Statements of activities and changes in net assets	5 - 6
V     Statements of functional expenses	7 - 8
VI    Statements of cash flows	9
VII   Notes to the financial statements	10 – 21

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Big Brothers Big Sisters of San Diego County, Inc.

We have audited the accompanying financial statements of Big Brothers Big Sisters of San Diego County, Inc., 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 changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

Earning Your Trust Since 1946



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of San Diego County, Inc. 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.

A handwritten signature in cursive script that reads "Considine & Considine".

CONSIDINE & CONSIDINE  
An accountancy corporation

September 23, 2020

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2019 AND 2018**

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	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 271,015	\$ 203,712
Pledges receivable (note 3)	219,887	109,161
Prepaid expenses	49,116	37,175
Other current assets	<u>10,543</u>	<u>18,474</u>
	550,561	368,522
OTHER ASSETS		
Pledges receivable - long term (note 3)	-	80,562
Property and equipment (note 7)	27,531	42,404
Beneficial interests in foundations (note 4 and 5)	71,368	64,568
Beneficial interest in endowment funds (note 6)	<u>2,791</u>	<u>2,737</u>
	<u>101,690</u>	<u>190,271</u>
TOTAL ASSETS	<u><u>652,251</u></u>	<u><u>558,793</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses (note 8)	139,032	130,993
Line of credit (note 9)	<u>54,303</u>	<u>63,082</u>
TOTAL LIABILITIES	193,335	194,075
NET ASSETS (note 14)		
Without donor restrictions	181,471	246,476
With donor restrictions	<u>277,445</u>	<u>118,242</u>
TOTAL NET ASSETS	<u>458,916</u>	<u>364,718</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 652,251</u></u>	<u><u>\$ 558,793</u></u>

See accompanying notes

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE:			
Contributions	\$ 825,016	\$ 600,431	\$ 1,425,447
Special events, net of direct benefits to donors of \$231,003 (note 12)	1,127,868	79,404	1,207,272
Grants (note 11)	18,650	5,000	23,650
Unrealized gain on beneficial interests in foundations	6,800	-	6,800
Net investment income	781	-	781
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	1,979,115	684,835	2,663,950
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	525,632	(525,632)	-
OPERATING EXPENSES			
Program services	1,758,395	-	1,758,395
Management and general	322,224	-	322,224
Fundraising expenses	489,133	-	489,133
	<hr/>	<hr/>	<hr/>
	2,569,752	-	2,569,752
CHANGE IN NET ASSETS	(65,005)	159,203	94,198
NET ASSETS, BEGINNING	<hr/>	<hr/>	<hr/>
	246,476	118,242	364,718
NET ASSETS, ENDING	<hr/>	<hr/>	<hr/>
	\$ 181,471	\$ 277,445	\$ 458,916

See accompanying notes

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE:			
Contributions	\$ 568,920	\$ 533,639	\$ 1,102,559
Special events, net of direct benefits to donors of \$207,642 (note 12)	1,060,691	107,471	1,168,162
Grants (note 11)	43,857	-	43,857
Unrealized loss on beneficial interests in foundations	(2,488)	-	(2,488)
Net investment income	1,900	-	1,900
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	1,672,880	641,110	2,313,990
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	693,951	(693,951)	-
OPERATING EXPENSES			
Program services	1,803,110	-	1,803,110
Management and general	279,736	-	279,736
Fundraising expenses	510,531	-	510,531
	<hr/>	<hr/>	<hr/>
	2,593,377	-	2,593,377
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	(226,546)	(52,841)	(279,387)
NET ASSETS, BEGINNING	473,022	171,083	644,105
	<hr/>	<hr/>	<hr/>
NET ASSETS, ENDING	\$ 246,476	\$ 118,242	\$ 364,718
	<hr/>	<hr/>	<hr/>

See accompanying notes

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES:				
Advertising and recruiting	\$ 1,798	\$ 153	\$ 331	\$ 2,282
Bad debt expense	-	104,847	-	104,847
Bank and credit card fees	11,227	188	22,547	33,962
Conferences and meetings	811	7,307	694	8,812
Depreciation	-	14,873	-	14,873
Dues - National	24,927	2,220	4,567	31,714
Employee benefits	87,327	12,808	26,543	126,678
Equipment rental and maintenance	-	1,224	-	1,224
Fundraising costs	-	-	435	435
Information and technology	25,406	3,549	4,904	33,859
Insurance	21,385	7,416	4,379	33,180
Interest expense	-	4,461	-	4,461
Office expense	9,977	8,208	3,348	21,533
Payroll taxes	98,276	6,967	23,407	128,650
Program expense	61,723	-	-	61,723
Professional services	10,076	45,220	25,624	80,920
Rent	100,323	9,223	18,465	128,011
Salaries	1,281,429	90,845	305,207	1,677,481
Travel	17,940	915	2,232	21,087
Utilities	5,770	1,800	1,035	8,605
Expenses before special events	1,758,395	322,224	443,718	2,524,337
Special events				
Facilities and venue	-	-	45,415	45,415
Food and beverage	-	-	139,588	139,588
Other event costs	-	-	91,415	91,415
	-	-	276,418	276,418
Costs of direct benefits to donors at special events	-	-	(231,003)	(231,003)
	-	-	45,415	45,415
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,758,395</b>	<b>\$ 322,224</b>	<b>\$ 489,133</b>	<b>\$ 2,569,752</b>
Percentage of total	69%	13%	18%	100%

See accompanying notes

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES:				
Advertising and recruiting	\$ 1,060	\$ 48	\$ 66	\$ 1,174
Bad debt expense	-	13,780	-	13,780
Bank and credit card fees	19,071	581	4,027	23,679
Conferences and meetings	-	9,872	323	10,195
Depreciation	-	15,259	-	15,259
Dues - National	26,802	-	-	26,802
Employee benefits	80,515	12,532	19,034	112,081
Equipment rental and maintenance	-	1,224	-	1,224
Fundraising costs	-	-	30,574	30,574
Information and technology	39,633	4,292	5,110	49,035
Insurance	21,538	8,832	4,223	34,593
Interest expense	404	4,075	-	4,479
Office expense	13,271	10,183	4,817	28,271
Payroll taxes	104,194	11,304	19,588	135,086
Program expense	68,826	-	-	68,826
Professional services	-	32,974	17,872	50,846
Rent	94,859	10,634	18,483	123,976
Salaries	1,305,783	142,078	277,191	1,725,052
Travel	21,200	126	2,039	23,365
Utilities	5,954	1,942	1,168	9,064
Expenses before special events	1,803,110	279,736	404,515	2,487,361
Special events				
Facilities and venue	-	-	112,825	112,825
Food and beverage	-	-	106,016	106,016
Other event costs	-	-	94,817	94,817
	-	-	313,658	313,658
Costs of direct benefits to donors at special events	-	-	(207,642)	(207,642)
	-	-	106,016	106,016
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,803,110</b>	<b>\$ 279,736</b>	<b>\$ 510,531</b>	<b>\$ 2,593,377</b>
Percentage of total	70%	11%	19%	100%

See accompanying notes

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018**

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	<u>2019</u>	<u>2018</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 94,198	\$ (279,387)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO		
NET CASH USED BY OPERATING ACTIVITIES		
Depreciation and amortization	14,873	15,259
Unrealized (gain)/loss from beneficial interests in foundations	(6,800)	2,488
Loss on write down of pledge receivable	95,562	-
Changes in operating assets and liabilities:		
Pledges receivable	(125,726)	302,720
Prepaid expenses	(11,941)	(4,203)
Other current assets	7,931	5,294
Beneficial interest in endowment funds	(54)	(48)
Accounts payable and accrued expenses	8,039	14,429
	<u>(18,116)</u>	<u>335,939</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	76,082	56,552
CASH FLOWS USED BY FINANCING ACTIVITIES		
Net decrease on line of credit	<u>(8,779)</u>	<u>(9,002)</u>
NET INCREASE IN CASH	67,303	47,550
CASH, BEGINNING OF YEAR	<u>203,712</u>	<u>156,162</u>
CASH, END OF YEAR	<u><u>\$ 271,015</u></u>	<u><u>\$ 203,712</u></u>
Supplemental disclosures:		
Interest paid	\$ 4,461	\$ 4,479
Taxes paid	\$ -	\$ -

See accompanying notes

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018**

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**NOTE 1 THE ORGANIZATION**

Big Brothers Big Sisters of San Diego County, Inc. (the Organization) is a non-profit organization dedicated to helping children by creating and supporting one-to-one mentoring relationships with proven results. Funds for the Organization's operations are raised primarily through contributions from private donors, sponsors and special events.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting – The accompanying financial statements are prepared using the accrual method of accounting in conformity with generally accepted accounting principles in the United States of America (GAAP).

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates.

Basis of presentation – Under accounting standards on Financial Statements of non-profit Organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions - Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

Net assets with donor restrictions – Net assets with donor restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. At December 31, 2019 and 2018, the Organization had net assets with donor restrictions of \$277,445 and \$118,242, respectively.

Cash and cash equivalents – The Organization considers all highly liquid investments available with a maturity date of three months or less to be cash equivalents. The Organization restricts investments of cash to financial institutions of high credit standing. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not experienced any loss in such accounts. As of December 31, 2019 and 2018, the uninsured balance is \$0. The Organization believes it is not exposed to any significant credit risks on its cash balances.

Pledges receivable - The pledges receivable consist of donor promises to give and reimbursement grants. It is the Organization's policy to charge off uncollectible pledges receivable when management determines the pledge will not be collected. As of December 31, 2019 and 2018, management considers all pledges collectible.



**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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A discount on pledges receivable expected to be received over several years are computed using risk free interest rates applicable to the years in which the pledges are received. Amortization of the discount is included in donations revenue on the statements of activities and changes in net assets.

Property and equipment – Property and equipment are carried at cost when purchased or, if contributed, at the estimated fair market value at the date of donation. Donated property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of three to fifteen years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

Beneficial interests in foundations – Beneficial interests in foundations are valued at their fair values on the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Fair value measurements – The Organization follows accounting standards consistent with the Financial Accounting Standards Board (FASB) codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Compensated absences – Employees of the Organization are entitled to paid time off depending on their length of service and other factors. Accrued compensated absences were \$63,461 and \$76,172, as of December 31, 2019 and 2018, respectively.

Revenue recognition – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met.

Donor-imposed restrictions – All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received designated for future periods or restricted by the donor for specific purpose are reported as with donor restrictions, increasing that net asset class. 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. If a restriction is fulfilled in the same fiscal period in which the contribution is received, the support is reported as with donor restrictions and a release from restriction. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets with donor restrictions until the restriction is fulfilled.

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Donated goods and services - The Organization records donated goods with a fair value of \$2,000 or more as contributions. In addition, the Organization recognizes the value of donated services by recording the donations at fair value. All donated services recognized create a non-financial asset or required specialized skills that would have been purchased if not donated. As of December 31, 2019 and 2018, the value of donated goods and services are \$18,078 and \$92,838, respectively.

Dues to Big Brothers Big Sisters of America – Dues are payable to the Organization’s National Affiliate (National). The calculation is based on a variable percentage of the prior year’s adjusted expenditures.

Functional allocation of expenses - The Organization allocates its expenses on a functional basis among its program and support services. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising costs – The Organization expenses advertising costs when incurred. Advertising expense for the years ended December 31, 2019 and 2018 was \$1,695 and \$1,146, respectively.

Income taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

The Organization follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or to be taken in a tax return. As of December 31, 2019 and 2018, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns with the Internal Revenue Service and the California Franchise Tax Board.

**Recent Accounting Pronouncements**

Accounting Standards Update No. 2014-09, 2016-08, 2016-10, 2016-12 and 2016-20, collectively implemented as Financial Accounting Standard Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606 (“ASC 606”) *Revenue from Contracts with Customers*, provides guidance for revenue recognition. This ASC’s core principle requires an organization to recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods or services. The standard also clarifies the principal versus agent considerations, providing the evaluation must focus on whether the entity has control of the goods or services before they are transferred to the customer. The new standard permits the use of either the modified retrospective or full retrospective transition method.

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The Organization has performed a review of the new guidance as compared to its current accounting policies, and evaluated all services rendered to its customers as well as underlying contracts to determine the impact of this standard to its revenue recognition process. Upon completion of its review of relevant contracts, the Organization has made a determination that there was not a material impact to fiscal 2019 revenues as a result of applying ASC 606. Additionally, there have not been significant changes to the Organization's business processes, systems, or internal controls as a result of implementing the standard. The Organization adopted the standard on January 1, 2019, using the modified retrospective transition method.

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU includes clarification regarding the accounting for contracts and agreements as exchange transactions or contributions and provides improved guidance to better distinguish between conditional and unconditional contributions. The Organization adopted ASU 2018-08, under the modified prospective approach to agreements that were either not completed as of January 1, 2019 or entered into after January 1, 2019. The adoption of this ASU did not have a material effect on the financial statements for contributions received. The Organization does not make significant contributions and the impact of ASU 2018-08 related to contributions made is not expected to be material to the financial statements or disclosures.

**NOTE 3     PLEDGES RECEIVABLE**

Pledges receivable consist of the following at December 31:

	2019	2018
Gross pledges receivable	\$ 219,887	\$ 199,161
Less: unamortized discount	-	(9,438)
Less: reserve for uncollected	-	-
Pledges receivable, net	<u>\$ 219,887</u>	<u>\$ 189,723</u>
Amounts due:		
Within one year	\$ 219,887	\$ 109,161
Within two years	-	12,777
Within three years	-	13,194
Within four years	-	13,624
Within five years	-	14,068
Thereafter	-	26,899
Pledges receivable, net	<u>\$ 219,887</u>	<u>\$ 189,723</u>

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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On an ongoing basis the Organization evaluates pledges based on facts and circumstances surrounding the gift and communication with its donors. During 2019, the Organization reviewed a pledge dated November 2015 for a gift of \$150,000 and has determined that the remainder of the pledge will not be collected. The present value of the pledge as of December 31, 2019 of \$95,562 has been written off and included in bad debt expense. Bad debt expense for the years ended December 31, 2019 and 2018 was \$104,847 and \$13,780, respectively.

An allowance for uncollectible pledges receivable has not been set up because the Organization's management considers all remaining pledge receivables to be collectible. The discount rates used for the years ended December 31, 2019 and 2018 are 2.07% and 3.26%, respectively.

**NOTE 4      BENEFICIAL INTERESTS IN FOUNDATIONS**

In 2008, the Organization invested \$25,000 in an endowment fund with the Jewish Community Foundation of San Diego. The investment will be held in perpetuity with the Jewish Community Foundation of San Diego and all distributions from the investment may be used at the discretion of the Organization.

In 2008, the Organization invested \$25,000 in an endowment fund with the Rancho Santa Fe Foundation. The investment will be held in perpetuity with the Rancho Santa Fe Foundation and all distributions from the investment may be used at the discretion of the Organization.

**NOTE 5      FAIR VALUE MEASUREMENT**

The Organization follows the method of fair value to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial assets carried at fair value at December 31, 2019 and 2018 are classified in the following schedules in one of three categories described above.

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The table below presents the balances of assets measured at fair value as of December 31, 2019 on a recurring basis:

Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in Jewish Community Foundation of San Diego endowment fund	\$ -	\$ -	\$ 25,416	\$ 25,416
Beneficial interest in Rancho Santa Fe endowment fund	-	-	45,952	45,952
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,368</u>	<u>\$ 71,368</u>

The table below presents the balances of assets measured at fair value as of December 31, 2018 on a recurring basis:

Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in Jewish Community Foundation of San Diego endowment fund	\$ -	\$ -	\$ 24,883	\$ 24,883
Beneficial interest in Rancho Santa Fe endowment fund	-	-	39,685	39,685
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,568</u>	<u>\$ 64,568</u>

The investments in the Jewish Community Foundation of San Diego endowment fund and the Rancho Santa Fe endowment fund are measured using values provided by these foundations. The values are based on the fair market value of the underlying cash, securities and other investments. Although the Organization classifies its investments in each foundation as Level 3, the investments held in each foundation are comprised of Level 1, 2 and 3 investments as reported by each foundation.

The following summarizes fair value measurements using significant Level 3 inputs, and changes therein, for the year ended December 31, 2019:

Balance at December 31, 2018	\$ 64,568
Change in value	6,800
Distribution	-
Balance at December 31, 2019	<u>\$ 71,368</u>

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The following summarizes fair value measurements using significant Level 3 inputs, and changes therein, for the year ended December 31, 2018:

Balance at December 31, 2017	\$ 67,056
Change in value	(2,488)
Distribution	-
Balance at December 31, 2018	<u>\$ 64,568</u>

**NOTE 6 BENEFICIAL INTEREST IN ENDOWMENT**

The San Diego Community Foundation (SDCF) maintains two endowment funds for the benefit of the Organization. Under the terms of the agreement, distributions of principal and interest from the fund are at the discretion of SDCF and administrative fees are charged annually in an amount which is the greater of \$100 per fund or 0.5% - 2% of the fair value of the respective fund as of June 30<sup>th</sup> each year.

When the endowment funds were established, the Organization granted variance power to SDCF and gives SDCF the right to distribute the investment income to another non-profit organization of its choice if the Organization ceases to exist or if the governing board of SDCF votes that support of the Organization (a) is no longer necessary or (b) is inconsistent with the needs of the San Diego community.

At December 31, 2019 and 2018, the distributable balance in SDCF totaled \$2,791 and \$2,737, respectively, which is reported in the statement of financial position as beneficial interest in endowment funds.

**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31:

	2019	2018
Office equipment	\$ 67,431	\$ 67,431
Furniture and fixtures	39,306	39,306
	<u>106,737</u>	<u>106,737</u>
Accumulated depreciation	(79,206)	(64,333)
	<u>\$ 27,531</u>	<u>\$ 42,404</u>

Depreciation expense was \$14,873 and \$15,259 for the years ended December 31, 2019 and 2018, respectively.

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 8      ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consist of the following at December 31:

	2019	2018
Accrued vacation	\$ 63,461	\$ 76,172
Other accrued expenses	40,121	20,849
Accrued payroll expenses	35,450	33,972
	<u>\$ 139,032</u>	<u>\$ 130,993</u>

**NOTE 9      LINE OF CREDIT**

The Organization has a line of credit of \$100,000 with Wells Fargo Bank that is collateralized by substantially all of the assets of the Organization. The interest rate is variable and at December 31, 2019 and 2018, was 6.75% and 7.50%, respectively. At December 31, 2019 and 2018, the Organization had a balance of \$54,303 and \$63,082, respectively. The line of credit remains active as long as the account is in good-standing.

Interest expense related to the line is \$4,461 and \$4,479 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 10      RETIREMENT PLAN**

The Organization maintains a 403(b) plan, which provides employees an opportunity to defer a portion of their compensation through salary reduction. There is no matching provision on the part of the Organization. Plan costs consists of nominal administrative fees.

**NOTE 11      GRANTS**

The Organization receives grants for financial assistance from various government agencies and foundations. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the Organization. In the opinion of the Organization's management, no material reimbursement of funds will be required as a result of expenditures allowed.

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018**

**Page 18**

**NOTE 12 SPECIAL EVENTS**

Special events revenues and expenses are directly related to fundraising and consist of the following:

	2019	2018
Revenue:		
Gourmet Dinner	\$ 861,476	\$ 691,426
Golf Jet Away	162,558	278,996
Golf Marathon	223,199	180,144
Phil's BBQ	113,341	107,471
Poker Tournament	37,161	50,177
Young Professionals Committee	27,111	27,855
Ayana Gala	3,012	26,463
September Sizzle	10,417	13,272
	<u>1,438,275</u>	<u>1,375,804</u>
Expenses:		
Facilities and venue	45,415	112,825
Food and beverages	139,588	106,016
Other event costs	91,415	94,817
	<u>276,418</u>	<u>313,658</u>
	<u><u>\$ 1,161,857</u></u>	<u><u>\$ 1,062,146</u></u>

**NOTE 13 COMMITMENTS**

The Organization leased office space under an operating lease agreement that expired in December 2019. Upon expiration of the lease agreement, the Organization leased the space on a month-to-month basis. The Organization also leases office equipment under various lease agreements expiring by 2022. Minimum future payments under non-cancelable operating leases having remaining terms in excess of one year for the years ended December 31 are as follows:

2020	\$ 11,954
2021	11,324
2022	536
	<u><u>\$ 23,814</u></u>

Office space lease expense for the years ended December 31, 2019 and 2018 was \$114,282 and \$110,792, respectively. Office equipment lease expense for the years ended December 31, 2019 and 2018 was \$14,952 and \$14,408, respectively.



**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018**

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**NOTE 14    NET ASSETS**

Net assets consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Undesignated and unrestricted	\$    181,471	\$    246,476
With donor restrictions:		
Subject to expenditure for specific purpose:		
Operation Bigs	196,445	-
Bigs with Badges	62,373	77,385
Big Futures	17,578	-
Ayana	1,038	12,000
Juvenile Justice and Delinquency Program	11	28,857
	<u>277,445</u>	<u>118,242</u>
	<u>\$    458,916</u>	<u>\$    364,718</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or events specified by donors during fiscal years ended December 31 are as follows:

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
Operation Bigs	\$    210,654	\$            -
Beyond School Walls	157,525	-
Bigs with Badges	77,672	136,574
Big Futures	34,922	40,000
Juvenile Justice and Delinquency Program	28,846	-
Ayana	11,013	9,990
Healthy Futures	5,000	17,300
Site based mentoring	-	487,398
Beneficial interest in endowment	-	2,689
	<u>\$    525,632</u>	<u>\$    693,951</u>

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018**

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**NOTE 15 LIQUIDITY AND AVAILABILITY**

The Organization is substantially supported by contributions with donor restrictions. Contributions and expenses are monitored on a monthly basis by the Organization's management and a committee of the Board of Directors. The level of assets are monitored on an annual basis. The Organization's goal is to be able to function within the boundaries of the income received throughout the year.

The Organization currently has a line of credit established with a national bank. The line of credit ensures short-term financial ability of the Organization to pay general expenditures.

As part of the Organization's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization manages its liquidity following three guiding principles: operating within a prudent range of financial stewardship and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient funds to provide reasonable assurance that long-term obligations will be discharged.

The following reflects the Organization's financial assets as of December 31, 2019 and 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2019</u>	<u>2018</u>
Financial assets, at year-end:		
Cash	\$ 271,015	\$ 203,712
Pledges receivable	<u>219,887</u>	<u>189,723</u>
Total financial assets	490,902	393,435
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted for specific programs	(277,445)	(118,242)
Restricted by time	<u>-</u>	<u>(80,562)</u>
Total amounts not available to be used within one year	(277,445)	(198,804)
Financial assets available to meet general expenditures within one year	<u><u>\$ 213,457</u></u>	<u><u>\$ 194,631</u></u>

**BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018**

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**NOTE 16    LEGAL CONTINGENCIES**

The Organization is subject to various legal proceedings and claims incurred by non-profit organizations during the normal course of business, the outcomes of which are subject to significant uncertainty. Disclosure of contingency is required if there is a reasonable possibility that a loss has been incurred. The Organization evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. The Organization anticipates that these matters will not have a material adverse effect on the Organizations financial position or statement of activities at December 31, 2019 and 2018.

**NOTE 17    SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 23, 2020, the date which the financial statements were available to be issued.

As a result of the spread of the Covid-19 Coronavirus and the resulting stay-at- home orders issued by the State of California, the state in which the Organization operates, the Organization is experiencing reduced revenues. The duration of the reduction in revenues may be only temporary. However, the related financial impact and duration cannot be reasonably estimated at this time.

In June 2020, the Organization received loan proceeds in the amount of \$305,565 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides loans to qualifying businesses. The PPP loans include terms that allow for the forgiveness of the loan. The Organization intends to use the proceeds for the purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, it cannot assure the Organization will not take actions that could cause it to be ineligible for forgiveness of the loan, in whole or in part.


In January 2020, the Organization entered into a lease agreement for different office space in the same building and moved into the space in June 2020.

**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 <b>Feeding San Diego</b> 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. <b>Both Mini-Grant &amp; Regular:</b> <ol style="list-style-type: none"> <li>1. Budget for request (use SMCF Budget Worksheet)</li> <li>2. Annual Operating budget for the organization or unit</li> <li>3. Federal &amp; State Tax ID numbers</li> <li>4. Board of Directors listing with affiliations</li> <li><b>5. Regular Grants Only:</b></li> </ol>	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"><li>a. 1-2 page narrative</li><li>b. First 2 pages of Federal 990</li><li>c. Most recent year-end Statement or Audit including any management letters associated with Audit.</li><li>d. Signature of President or Authorized Officer on Application</li><li>e. Optional: letters of support</li></ul>	<p>Signature of President or Authorized Officer</p> <div style="text-align: center;"></div> <div><div>Ali Colbran, Director of Development</div><div>Name, Title</div></div> <div><div>3/23/2021</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</p> <p>Email (PDF Format): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a></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](http://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.	
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)	Prior Year 53,592,487. Current Year 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			Firm's EIN ▶ 33-0686301
	IRVINE, CA 92606			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  
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JUNE 30, 2019 AND 2018**

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## **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**



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

Project Name: Home-Delivered Meal Service – San Marcos  Date Submitted: 3/31/2021	Total # of people served: 1,731  Total # of San Marcos residents served: 30	Amount Requested: \$5,000						
Non-Profit Organization Name and Address, Website Mama's Kitchen 3960 Home Ave. San Diego, CA 92105 <a href="http://www.mamaskitchen.org">www.mamaskitchen.org</a>	Contact Person – Name, Title & Phone, email Jenna Novotny Director of Development (619) 233- 6262 <a href="mailto:jenna@mamaskitchen.org">jenna@mamaskitchen.org</a>							
<p><b><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u></b></p> <p>Mama's Kitchen believes that everyone is entitled to the basic necessity of life – nutritious food. Our services improve the health and well-being of individuals and families vulnerable to malnutrition due to critical illness. Today, we request that the San Marcos Community Foundation renew its generous support of our Home-Delivered Meal Service – San Marcos. Our program provides medically tailored meals to San Marcos residents, and their dependent children, who are at risk of malnutrition due to HIV, cancer, type 2 diabetes, congestive heart failure or chronic kidney disease. In addition to three daily meals, plus healthy snacks, clients receive one to four nutrition counseling sessions with our registered dietitians. We request a generous \$5,000 grant from the San Marcos Community Foundation to support the purchase of food and containers for medically tailored meals delivered to critically ill San Marcos residents. With an average food and container cost of \$2.47/meal, your grant would provide approximately 2,024 meals.</p>								
<p><b><u>Briefly describe the significance of your request to the San Marcos community:</u></b></p> <p>In FY 2020, Mama's Kitchen provided 8,010 meals to 28 San Marcos residents facing critical illness. In the first nine months of FY 2021, we have provided 4,495 meals to 23 San Marcos residents. In FY 2022, we anticipate providing 6,732 meals to 30 clients in San Marcos. Although we have no income restrictions for program, 93% of San Marcos clients are considered extremely low or very low income. Proper nutrition plays a key role in increasing medication adherence, lowering health care costs, and improving quality of life for critically ill individuals. By home-delivering complete daily nutrition at no cost, we break down barriers clients face in accessing the nutrition they need for their best possible health outcomes.</p>								
Please attach the following items. <b><u>Both Mini-Grant &amp; Regular:</u></b> <ol style="list-style-type: none"> <li>1. Budget for request (use SMCF Budget Worksheet)</li> <li>2. Annual Operating budget for the organization or unit</li> <li>3. Federal &amp; State Tax ID numbers</li> <li>4. Board of Directors listing with affiliations</li> </ol> <b><u>5. Regular Grants Only:</u></b> <ol style="list-style-type: none"> <li>a. 1-2 page narrative</li> <li>b. First 2 pages of Federal 990</li> <li>c. Most recent year-end Statement or Audit including any management letters associated with Audit.</li> <li>d. Signature of President or Authorized Officer on Application</li> <li>e. Optional: letters of support</li> </ol>								
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">           Expected date project will begin/end: 7/1/2021             Date by which funds will be expended: 6/30/2022         </td> <td style="width: 50%; border: none;"></td> </tr> <tr> <td style="border: none;">           Signature of President or Authorized Officer   <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">             Alberto Cortés, CEO         </div> <div style="text-align: right;">           3/31/2021            Date         </div> </div> </td> <td style="border: none;"></td> </tr> <tr> <td colspan="2" style="border: none;">           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): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a> </td> </tr> </table>			Expected date project will begin/end: 7/1/2021  Date by which funds will be expended: 6/30/2022		Signature of President or Authorized Officer  <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">             Alberto Cortés, CEO         </div> <div style="text-align: right;">           3/31/2021            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): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a>	
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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): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a>								



Mama's Kitchen  
Home-Delivered Meal Service San Marcos

**Mission:**

Mama's Kitchen believes that everyone is entitled to the basic necessity of life – nutritious food. Our services improve the health and well-being of individuals and families vulnerable to malnutrition due to critical illness.

**Program Description:**

Our Home-Delivered Meal Service – San Marcos (HDMS) provides three daily meals, plus healthy snacks, to San Marcos residents battling illnesses such as cancer, HIV, type 2 diabetes, heart failure and kidney disease. Our dietitians design each meal to improve health outcomes, increase immune response and support medication adherence. Although we have no age or income requirements, 57% of San Marcos clients are 60+ and 93% of HDMS clients are low income. During the pandemic, our Home-Delivered Meal Service is especially crucial as our clients' health status, age and financial situation makes them extremely vulnerable to tragic effects of COVID-19. Our meals allow clients to receive the nutrition they need, without leaving the safety of home.

The Home Delivered Meal Service – San Marcos, supported by more than 1,000 volunteers and 300 referral partners, is implemented through the following activities:

1. More than 300 referral partners connect us with San Diegans battling HIV, cancer, heart failure, diabetes or kidney disease. Within 24-72 hours, new clients receive their first meal delivery.
2. Our registered dietitians assess the client's nutritional status and treatment plan. Together, they determine nutritional goals, dietary modifications and create a personal plan for nutrition education. This process empowers clients to regain control of their health.
3. With the support of our executive chef, volunteers prepare meals. Our six-week menu cycle includes several diet variations to meet the medical needs of all clients. Currently, we use a no-contact delivery process.
4. On Tuesdays and Fridays, volunteers deliver meals to client homes. Each delivery contains three meals per day, plus healthy snacks, until the next delivery.
5. Registered dietitians call clients to provide ongoing nutrition education.
6. In order to ensure we are serving those most in need of our service, healthcare providers recertify client eligibility every six months. Clients are welcome to stay on our program until they are once again healthy enough to prepare meals for themselves.

Research reinforces the healing power of nutrition that our team witnesses on a daily basis. A 2019 study by the University of North Carolina demonstrates that participation in a medically tailored meal program over a six-month period is associated with fewer hospital and skilled nursing admissions and a 16% reduction in overall medical spending in patients with diabetes or HIV. In a study published in Clinical Nutrition, researchers explain that the role of nutrition intervention in curative cancer care can increase treatment tolerance and response, decrease complications and reduce mortality.

Meet "Rosa," a Mama's Kitchen client battling cancer.

*I've been fighting cancer for 8 years. Without Mama's Kitchen, I wouldn't be able to purchase the food I need to follow the diet my doctor recommends. After I pay my rent and bills, I hardly have enough to buy basics like toothpaste – there's not much left over for food. I love the meals I receive from Mama's Kitchen – especially the meatballs!*

**Who We Serve:**

Mama's Kitchen collaborates with a network of more than 300 healthcare professionals and case managers who serve as our referral partners. Our partners are often the first point of contact for our target population and are best suited to assess those vulnerable to malnutrition due to critical illness. Healthcare providers verify the client's physical and/or mental inability to prepare meals and help supply financial and diagnosis documentation for newly referred clients. Current San Marcos referral partners include Palomar Hospital, Hospice of North Coast, Vista Community Clinic, North County Health Services and Scripps Home-Based Care.

In order to qualify for our program, an individual must:

1. Be a resident of San Marcos and,
2. Be physically and/or mentally unable to prepare meals for themselves due to HIV, cancer, type 2 diabetes, congestive heart failure or chronic kidney disease, or
3. Be a dependent child of a qualifying client.

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

Gender		Race/Ethnicity		Age	
Male	25%	American Indian/Native Alaskan	0%	0 thru 5	0%
Female	75%	Asian	0%	6 thru 17	17%
Trans		Black/African American	9%	18 thru 35	4%
Chose not to answer		Hispanic/Latino	22%	36 thru 59	22%
		OPAC/Native Hawaiian	0%	60+	57%
		White	57%		
		Unreported	13%		

As mentioned above, 93% of San Marcos clients are considered extremely low or very low income by Housing and Urban Development standards. Currently, the average income of our Home-Delivered Meal Service clients in San Marcos is just \$2,053 per month. By providing clients with breakfast, lunch, dinner and healthy snacks, our program allows them to use their limited resources to pay for other necessities such as housing and healthcare.

**Measuring Impact:**

In FY 2022, Mama's Kitchen will evaluate the success of our Home-Delivered Meal Service – San Marcos using the following objectives:

1. An estimated 6,732 meals will be delivered to approximately 30 San Marcos residents.
2. A minimum of 80% of survey-responding clients report receiving food that meets their nutritional needs.
3. A minimum of 80% of survey-responding clients report receiving food appropriate for their medication and treatment plans.
4. A minimum of 80% of survey-responding clients report that their general health has stabilized or improved since receiving meals in our program.

**Summary:**

Mama's Kitchen is deeply appreciative of the support we have received from the San Marcos Community Foundation. Since 1990, Mama's Kitchen has provided healing nutrition to critically ill San Diego County residents. On the morning of March 31<sup>st</sup>, 2021, prior to turning in this application, we have just delivered our 10 millionth meal. Thank you for considering renewing your support Mama's Kitchen as we continue to serve San Marcos residents facing the dual crisis of critical illness and malnutrition.

**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)

Food_____	\$20,456.84
Meal Containers_____	\$2,530.60
Client/Volunteer Expenses_____	\$547.16
Payroll Expenses & Benefits_____	\$14,868.74
Data & Consulting Costs_____	\$475.64
Facilities and Supplies_____	\$1,449.59
Insurance_____	\$413.51
Misc._____	\$231.09

**Total budget for this PROJECT: \$41,044.38**

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

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

**Please list any other funding sources for this project.**

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

\$10,000 \_\_\_\_ Farrell Family Foundation\*\* \_\_C\_\_

\$10,000 \_\_\_\_ Hellman Foundation \*\* \_\_C\_\_

\$5,000 \_\_Albertsons Companies Foundation \*\* \_\_P\_\_

\$2,000 \_\_ Lewis Greenwood Foundation \*\* \_\_P\_\_

These funds and others are committed and pledged to our Home-Delivered Meal Service (FY 2022), which includes the Home-Delivered Meal Service – San Marcos.

Extended to May 17, 2021

OMB No. 1545-0047

**Form 990**  
(Rev. January 2020)  
Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

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

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

# 2019

Open to Public Inspection

A For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

B Check if applicable:

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

C Name of organization

**MAMA'S KITCHEN**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

**3960 HOME AVENUE**

City or town, state or province, country, and ZIP or foreign postal code

**SAN DIEGO, CA 92105**F Name and address of principal officer: **ALBERTO CORTES****same as C above**

D Employer identification number

**33-0434246**

E Telephone number

**619-233-6262**G Gross receipts \$ **5,581,968.**H(a) Is this a group return for subordinates? ☐ Yes ☒ NoH(b) Are all subordinates included? ☐ Yes ☐ No  
If "No," attach a list. (see instructions)

H(c) Group exemption number

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)( ) (insert no.) ☐ 4947(a)(1) or ☐ 527J Website: **WWW.MAMASKITCHEN.ORG**K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ OtherL Year of formation: **1990** M State of legal domicile: **CA**

## Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <b>WE PROVIDE NUTRITION SUPPORT TO THOSE AFFECTED BY CRITICAL ILLNESSES WHO ARE VULNERABLE TO HUNGER.</b>		
	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)	<b>3</b>	<b>24</b>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>24</b>
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	<b>5</b>	<b>26</b>
	6	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>1431</b>
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
7b	Net unrelated business taxable income from Form 990-T, line 39	<b>7b</b>	<b>0.</b>	
Revenue	8	Contributions and grants (Part VIII, line 1h)	<b>3,279,722.</b>	<b>5,002,657.</b>
	9	Program service revenue (Part VIII, line 2g)	<b>0.</b>	<b>0.</b>
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>105,844.</b>	<b>136,938.</b>
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>-27,255.</b>	<b>-20,970.</b>
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>3,358,311.</b>	<b>5,118,625.</b>
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>0.</b>
	14	Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>916,557.</b>	<b>1,207,516.</b>
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	17	b Total fundraising expenses (Part IX, column (D), line 25) <b>418,977.</b>	<b>1,673,086.</b>	<b>2,064,376.</b>
	18	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>2,589,643.</b>	<b>3,271,892.</b>
	19	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>768,668.</b>	<b>1,846,733.</b>
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	<b>4,268,261.</b>	<b>6,083,197.</b>
	21	Total liabilities (Part X, line 26)	<b>381,130.</b>	<b>414,033.</b>
	22	Net assets or fund balances. Subtract line 21 from line 20	<b>3,887,131.</b>	<b>5,669,164.</b>

## Part II Signature Block

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

Sign Here **ALBERTO CORTES, CHIEF EXECUTIVE OFFICER**  
Signature of officer **ALBERTO CORTES, CHIEF EXECUTIVE OFFICER**  
Date **3/22/21**  
Type or print name and title

Paid Preparer Use Only  
Print/Type preparer's name **JASON C. GUTZMER** Preparer's signature **JASON C. GUTZMER** Date **03/19/21** Check if self-employed ☐ PTIN **P01204162**  
Firm's name **LING & BOUMAN CPA'S, LLP** Firm's EIN **81-4590836**  
Firm's address **4669 MURPHY CANYON ROAD, STE 130**  
**SAN DIEGO, CA 92123-1833** Phone no. **(858) 467-4770**

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

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

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

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

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

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

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

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

**4a** (Code: ) (Expenses \$ **2,687,676.** including grants of \$ ) (Revenue \$ **5,118,625.**)  
**DELIVERY OF FREE MEALS TO HOME-BOUND PEOPLE WITH CRITICAL ILLNESSES. THE ORGANIZATION DELIVERED 528,034 MEALS, HAD 3,338 VISITS TO MAMA'S PANTRY, DELIVERED 340 EMERGENCY FOOD ASSISTANCE BAGS, AND PROVIDED MEDICAL NUTRITION THERAPY TO 1561 CLIENTS.**

**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 **2,687,676.**

**MAMA'S KITCHEN**

a Non-Profit Organization,

Financial Statements, Independent Auditor's Report  
and Uniform Guidance Reports

For the Years Ended June 30, 2020 and 2019

4669 Murphy Canyon Road  
Suite 130  
San Diego, CA 92123

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858.467.4770  
Fax 858.467.4779

**MAMA'S KITCHEN**  
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**YEARS ENDED JUNE 30, 2020 AND 2019**

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

**INDEPENDENT AUDITOR'S REPORT**

To the Mama's Kitchen Board of Directors:

**Report on the Financial Statements**

We have audited the accompanying financial statements of Mama's Kitchen (a nonprofit organization) ("Mama's"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mama's as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report for the year ended June 30, 2020 dated November 17, 2020, on our consideration of Mama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mama's internal control over financial reporting and compliance.

*Ling & Bouman, LLP*

November 17, 2020  
San Diego, California

**MAMA'S KITCHEN**  
**A Not-for-Profit Organization**  
**Statements of Financial Position**  
**As of June 30, 2020 and 2019**

	2020	2019
<b><u>Assets</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 2,069,024	\$ 173,816
Investments in marketable securities available for sale	1,766,413	1,846,993
Accounts receivable - net	271,160	198,368
Inventory	39,260	34,054
Prepaid expenses and other	47,034	57,167
Pledges receivable - current portion	4,241	4,241
Total current assets	4,197,132	2,314,639
Property and equipment - net	1,732,132	1,793,725
Other assets - net	153,933	159,897
Total Assets	<u>\$ 6,083,197</u>	<u>\$ 4,268,261</u>
<b><u>Liabilities and Net Assets:</u></b>		
Current Liabilities:		
Line of Credit	\$ -	\$ 74,260
Accounts payable and accrued expenses	222,533	156,267
Current portion of long-term debt	-	94,193
Total current liabilities	222,533	324,720
Long-term debt - net	191,500	56,410
Total liabilities	414,033	381,130
Net assets:		
Without donor restrictions	5,485,919	3,625,395
With donor restrictions	183,245	261,736
Total net assets	5,669,164	3,887,131
Total Liabilities and Net Assets	<u>\$ 6,083,197</u>	<u>\$ 4,268,261</u>

See accompanying notes to financial statements.

**MAMA'S KITCHEN**  
**A Not-for-Profit Organization**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE, GAINS AND OTHER SUPPORT:</b>			
<b>Contract Revenues:</b>			
<b>Government Revenues:</b>			
County of San Diego - Ryan White	\$ 557,222	\$ -	\$ 557,222
County of San Diego - HOPWA	178,642	-	178,642
City of San Diego - CDBG	125,000	-	125,000
City of Vista - CDBG	15,750	-	15,750
Non-Government	<u>323,007</u>	<u>-</u>	<u>323,007</u>
Total contract revenues	1,199,621	-	1,199,621
Contributions	3,660,341	86,400	3,746,741
Capital projects	-	1,150	1,150
Donation in-kind	55,145	-	55,145
Donated services	374,857	-	374,857
Special events, net of direct expenses	(20,970)	-	(20,970)
Investment income	47,236	-	47,236
Net realized and unrealized gain on investments	25,175	(173)	25,002
Released from restriction by payment	<u>165,868</u>	<u>(165,868)</u>	<u>-</u>
Total Revenue, Gains, and Other Support	<u>5,507,273</u>	<u>(78,491)</u>	<u>5,428,782</u>
<b>EXPENSES:</b>			
Program services	3,062,769	-	3,062,769
Management and general	165,433	-	165,433
Fundraising	<u>418,547</u>	<u>-</u>	<u>418,547</u>
Total Expenses	<u>3,646,749</u>	<u>-</u>	<u>3,646,749</u>
Change in Net Assets	1,860,524	(78,491)	1,782,033
Net Assets, Beginning of Year	<u>3,625,395</u>	<u>261,736</u>	<u>3,887,131</u>
			-
Net Assets, End of Year	<u>\$ 5,485,919</u>	<u>\$ 183,245</u>	<u>\$ 5,669,164</u>

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

**MAMA'S KITCHEN**  
**a Not-for-Profit Organization**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2020**

	Program Services	SUPPORTING SERVICES		Total
		Management & General	Fundraising	
Salaries and wages	\$ 770,545	\$ 80,380	\$ 211,754	\$ 1,062,679
Payroll taxes	64,424	5,635	18,897	88,956
Employee benefits	32,088	13,047	10,746	55,881
Total Salary and Related Expense	867,057	99,062	241,397	1,207,516
Food and packaging costs (net)	1,371,980	-	-	1,371,980
Food costs - in-kind	47,483	-	-	47,483
Advertising, printing & publications	-	-	44,552	44,552
Bank/Credit card fees	-	-	21,973	21,973
Client expense	23,568	-	-	23,568
Depreciation and amortization	110,379	9,211	14,744	134,334
Direct mail	-	-	18,215	18,215
Donor cultivation	-	-	1,700	1,700
Donated services, facilities and in-kind	374,932	-	7,587	382,519
Information technology	16,316	4,568	13,706	34,590
Insurance	31,467	6,447	8,019	45,933
Interest expense	6,157	2,893	1,150	10,200
Investment advisory fees	10,931	1,518	2,365	14,814
Legal and professional	40,650	2,877	13,089	56,616
Memberships, subscriptions, professional development	3,453	12,935	4,251	20,639
Occupancy	119,470	12,005	16,885	148,360
Office expense	12,418	3,708	5,570	21,696
Vehicle expense	3,845	-	-	3,845
Volunteer expense	17,762	1,898	151	19,811
Miscellaneous	4,901	8,311	3,193	16,405
Total Expenses	\$ 3,062,769	\$ 165,433	\$ 418,547	\$ 3,646,749

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

**MAMA'S KITCHEN**  
**A Not-for-Profit Organization**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2020 and 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ 1,782,033	\$ 844,761
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	134,334	131,321
Amortization of debt issuance cost	2,255	1,353
Gain on sale of assets	-	(35)
Investments in marketable securities available for sale	(25,002)	(136,003)
(Increase) Decrease in:		
Accounts receivable - net	(72,792)	(58,165)
Prepaid expenses and other	10,134	(12,492)
Pledges receivable - net	-	10,069
Inventory	(5,206)	(2,925)
Other assets - net	-	(141,992)
Increase in:		
Accounts payable and accrued expenses	66,265	48,078
Net cash provided by operating activities	<u>1,892,021</u>	<u>683,970</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments in marketable securities available for sale	(398,493)	(352,038)
Proceeds from sale of investments in marketable securities available for sale	504,075	321,766
Proceeds from sale of assets	-	925
Purchase of other assets	-	(18,216)
Purchase of property and equipment	(66,777)	(108,055)
Net cash provided by (used in) investing activities	<u>38,805</u>	<u>(155,618)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net payments on long-term borrowings	(152,858)	(118,258)
Net advances on Paycheck Protection Loan	191,500	-
Line of credit - net	(74,260)	(380,000)
Net cash used in financing activities	<u>(35,618)</u>	<u>(498,258)</u>
 Net Increase in Cash and Cash Equivalents	 1,895,208	 30,094
 Cash and cash equivalents, beginning of the year	 <u>173,816</u>	 <u>143,722</u>
 Cash and cash equivalents, end of the year	 <u>\$ 2,069,024</u>	 <u>\$ 173,816</u>
 Supplemental Disclosure of cash flow information:		
Cash payments for interest	<u>\$ 7,945</u>	<u>\$ 25,626</u>

See accompanying notes to financial statements.



**MAMA'S KITCHEN**  
A Not-For-Profit Organization  
Notes to Financial Statements  
For the Years Ended June 30, 2020 and 2019

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**Note 1 – Organization and Summary of Significant Accounting Policies**

**Nature of Activities**

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

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

Consistent with the mission, the following services are provided:

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

During the 12 months ended June 30, 2020 the Organization delivered 528,034 meals, had 3,338 visits to Mama's Pantry, provided 340 emergency food assistance bags, and provided MNT to 1,561 clients.

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

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

The Organization has been part of the emergency response effort since the start (March, 2020) of the COVID-19 pandemic. Additionally, operational procedures were modified by implementing public health safety precautions (masking, social distancing, cleaning of surfaces, temperature taking, sign-in/sign-out logs, limiting number of people in the building during hours of operation). The Organization experienced an increase in the number of people served by almost two-thirds. Additionally, the Organization, temporarily discontinued its pantry services.

Financial Statement Presentation and Basis of Accounting

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

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

Cash and Cash Equivalents and Concentration of Credit Risk

For purposes of the Statements of Cash Flows, Mama's Kitchen considers all highly liquid investments with an initial maturity date of three months or less to be cash equivalents. Amounts in the bank accounts which exceed the United States Federal Deposit Insurance Corporation insured limit of \$250,000 total approximately \$1,800,000 at June 30, 2020.

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

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

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Notes to Financial Statements  
For the Years Ended June 30, 2020 and 2019

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changes could materially affect balances and the amounts reported in the statement of financial position.

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

Inventory

The inventory consists of meal containers, dry and frozen foods, and other food products. Inventory is valued using the First-In First-Out (FIFO) method. As of June 30, 2020 and 2019, inventory was valued at \$39,260 and \$34,054, respectively.

Property and Equipment - net

Property and equipment acquisitions in excess of \$1,000 per the Organization's capitalization policy are capitalized and recorded at cost when purchased. The fair market value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful life of each class of assets (3 to 30 years) and is computed using the straight-line method. The Organization's expenditures for ordinary repairs and maintenance and planned major maintenance are charged to operations as incurred. Depreciation expense for the year ended June 30, 2020 and 2019 was \$128,370 and \$126,515, respectively.

Impairment of Long-lived Assets

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

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Notes to Financial Statements  
For the Years Ended June 30, 2020 and 2019

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be its primary indicators of potential impairment. In measuring impairment, the Organization looks to quoted market prices, if available, or the best information available in the circumstances. At June 30, 2020 and 2019, the Organization has determined that there is no impairment of assets.

Intangible Assets – net

Intangible assets cost of \$50,392 are included in Other assets – net and are amortized over the estimated useful life of 5 years. Accumulated amortization totaled \$38,451 and \$32,487 as of June 30, 2020 and 2019. Amortization expense for year ended June 30, 2020 and 2019 totaled \$5,964 and \$4,806, respectively.

Debt Issuance Costs

Debt issuance costs are amortized over the life of the loan and are presented net of amortization as a direct reduction of the associated note payable for 2019 in accordance with ASU 2015-03. The net loan origination fees included as a reduction to notes payable was \$2,255 for the year ended June 30, 2019. This loan was paid off in 2020.

Amortization of debt issuance costs totaling \$2,255 and \$1,353 are included in interest expense for the years ended June 30, 2020 and 2019, respectively.

Compensated Absences

Employees of Mama's Kitchen are entitled to compensated absences depending on the length of service and other factors. Such absences consist of accrued vacation and sick time; the unused accrued vacation is payable upon termination or retirement. As of June 30, 2020 and 2019, accrued vacation payable was \$71,411 and \$46,698, respectively and are included in Accounts payable and accrued expenses on the Statement of Financial Position.

Contributions, Promises to Give and Capital Projects

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

Capital project contributions include amounts contributed to meet the debt service on the

**MAMA'S KITCHEN**  
A Not-For-Profit Organization  
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Organization's headquarters as well as specific equipment purchases.

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

Concentration of Revenue

In 2020 and 2019, Mama's Kitchen received approximately 16% and 20% of its total revenue from local government agencies for the Home Delivered Meal Program. While there is no imminent plan on the part of the government to discontinue these funds, the contracts are renewed on an annual basis depending on availability of funds.

In 2020 and 2019, Mama's Kitchen also received approximately 84% and 80% of its total revenue from fund-raising activities, investment income, contributions from private foundations, local community support and other contract revenues.

Donated Services

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

Fiscal year ended June 30, 2020:

The Organization received approximately 30,740 donated hours and 131,769 miles driven from 1,431 volunteers for various services including food preparation, packaging and staging prepared meals, home delivery and pantry services to more than 1,545 women, men, and children at high risk of hunger and malnutrition. The value of donated hours is \$968,617(1) and the value of donated miles is \$76,426(2).

Fiscal year ended June 30, 2019:

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

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

- (1) Calculated using the 2019 and 2018 Volunteer Hour Value for California as published by The Independent Sector
- (2) Calculated using the IRS Standard Mileage Rate of \$0.575 for fiscal 2020 and \$0.58 for fiscal 2019

Functional Allocation of Expenses

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

Estimates

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

Recent Accounting Pronouncements

The FASB codifies the various sources of GAAP into the ASC. Any updates to the ASC are communicated through Accounting Standards Updates ("ASU"). In 2018, 2019 and 2020 up to the date of the independent auditors' report, the FASB has issued various ASUs for which the majority are not pertinent to the operations of the Organization. Those ASUs that are pertinent have been adopted (see Accounting Pronouncements Adopted) or will be adopted in future years in accordance with the update provisions and are not expected to have any impact on the financial condition, results of operations or cash flows of the Organization.

Accounting Pronouncements Adopted

In 2019, the Organization adopted ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amended the current reporting model for nonprofit organizations and enhanced their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net

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assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Reclassifications

Certain reclassifications have been made to the fiscal year ended June 30, 2019 financial statements to conform to the fiscal year ended June 30, 2020 presentation.

Date of Managements Review

Subsequent events were evaluated through November 17, 2020, which is the financial statement issuance date.

**Note 2 – Statement of Financial Position Details at June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Property and Equipment – at Cost:		
Land	\$ 176,700	\$ 176,700
Building and improvements	2,239,625	2,231,042
Furniture and fixtures	564,060	505,866
Vehicles	<u>39,735</u>	<u>39,735</u>
	3,020,120	2,953,343
Accumulated Depreciation	<u>(1,287,988)</u>	<u>(1,159,618)</u>
Net Property and Equipment	<u>\$1,732,132</u>	<u>\$1,793,725</u>
Prepaid expenses and other:		
Prepaid insurance	\$ 14,115	\$ 15,051
Prepaid program evaluation	11,803	15,267
Software maintenance	8,688	7,008

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Cleaning & other services	4,892	12,305
Vendor security deposit	6,000	6,000
Workers compensation deposit	<u>1,536</u>	<u>1,536</u>
Total prepaid expenses and other	<u>\$ 47,034</u>	<u>\$ 57,167</u>
Other assets – net		
Donated artwork held for sale	\$ 141,992	\$ 141,992
Intangible assets - net	<u>11,941</u>	<u>17,905</u>
Total other assets – net	<u>\$ 153,933</u>	<u>\$ 159,897</u>
Accounts payable and accrued expenses		
Accounts payable	\$ 38,552	\$ 49,970
Accrued payroll	80,079	37,774
Accrued vacation	71,411	46,698
Accrued other	<u>32,491</u>	<u>21,825</u>
Total accounts payable and accrued expenses	<u>\$ 222,533</u>	<u>\$ 156,267</u>

**Note 3 – Contracts Awarded and Contingency**

During fiscal 2020 and 2019, Mama's Kitchen was under contract with the San Diego County Department of Mental Health and Human Services ("County of San Diego"), the City of San Diego Economic Development Department ("City of San Diego") and the City of Vista Housing Division ("City of Vista"), all of which are referred to as the Agencies (the "Agencies"), to provide home delivered meals and other nutrition services. Under the Agencies contracts, services provided are limited to the County of San Diego.

The Agencies contracts for the year ending June 30, 2020 are subject to the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance").

The Agencies contracts are subject to periodic review by the Agencies to substantiate that invoices submitted are properly supported. These reviews will periodically result in minor discrepancies for which Mama's Kitchen will have to repay the Agencies should any discrepancies exist. During the fiscal year ended June 30, 2020 and 2019, no findings by the Agencies were considered to be material adjustments.



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

Mama's Kitchen has been awarded similar Agency contracts totaling approximately \$942,00 for the fiscal year ended June 30, 2021.

**Note 4 - Income Taxes**

**Income Taxes Status**

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

**Uncertain Tax Positions**

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, Mama's Kitchen may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various position related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from a tax position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2020 and 2019.

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

Mama's Kitchen files its Form 990 in the U.S. federal jurisdiction and a copy of it with the Office of the State's Attorney General for the State of California. Mama's Kitchen is no longer subject to examination by the Internal Revenue Service and the State of California for years before 2015 and 2014, respectively.

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**Note 5 – Investments in Marketable Securities Available for Sale**

Investments in marketable debt and equity securities available-for-sale are being reported at fair value based upon quoted market prices on national stock exchanges. Unrealized net holding (losses) gains totaled \$(64,489) and \$75,034 for the years ended June 30, 2020 and 2019, respectively. Investments in marketable securities available for sale are held for investment gains and for future needs of the Organization. (See Note 11 for unrealized net holding gains on permanently restricted endowment funds.)

Gross realized gains on available-for-sale securities included in revenue totaled \$89,702 and \$59,911 for the years ended June 30, 2020 and 2019, respectively. Gains or (losses) are recognized via the specific identification method.

At June 30, 2020, the cost basis and estimated fair values of investments in equity securities are set forth in the following table. The cost basis approximates the amortized costs for securities purchased at a price equal to the stated face amount, plus a premium or less a discount.

	<u>Cost Basis</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized (Losses)</u>	<u>Estimated Fair Value</u>
Cash and cash equivalents	\$ 58,828	\$ -	\$ -	\$ 58,828
Domestic common stocks	805,589	290,025	(55,826)	1,039,788
Managed equity mutual funds	278,288	10,168	(3,628)	284,828
Preferred stocks	121,132	2,211	(2,659)	120,684
Asset backed securities	19,189	1,334	-	20,523
Managed equity bond funds				
US Government backed	96,135	13,802	(95)	109,842
Corporate	110,788	5,862	(206)	116,444
San Diego Foundation Balanced Pool	<u>15,476</u>	<u>-</u>	<u>-</u>	<u>15,476</u>
Total	<u>\$1,505,425</u>	<u>\$323,402</u>	<u>\$ (62,414)</u>	<u>\$1,766,413</u>

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

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

**Note 6 – Fair Value of Investments**

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

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

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

**Level 3:** Significant unobservable inputs that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below:

Fair Value Measurement at June 30, 2020, Using

	<u>Total</u>	<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
UBS Financial Services, Inc. ("UBS") Investments				
Cash Portfolio	\$ 58,828	\$ 58,828	\$ -	\$ -
UBS Investment Accounts				
Equities	1,039,788	1,039,788	-	-
Mutual Funds	284,828	284,828	-	-
Fixed Income Investments	367,493	367,493	-	-
San Diego Foundation				
Endowment, Balanced Pool	15,476	-	15,476	-
Total Investments	1,707,585	1,692,109	15,476	-
Total Cash and Investments	\$1,766,413	\$1,750,937	\$ 15,476	\$ -

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Fair Value Measurement at June 30, 2019, Using

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

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

**Note 7 – Accounts Receivable - net**

Accounts receivable - net as of June 30, 2020 and 2019 were \$271,160 and \$198,368, of which \$143,716 and \$106,658 were due from the County of San Diego – Health & Human Services Agency and \$127,444 and \$91,710 from various other entities. Management determined that no allowance for doubtful accounts was necessary.

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**Note 8 – Pledges Receivable - net**

Mama's Kitchen conducted a capital campaign for the purchase of a building. The remaining pledges receivable as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Pledges receivable – net (the allowance for doubtful pledges totaled \$890 in 2020 and 2019, respectively)	\$ 4,241	\$ 4,241
Less current portion	<u>4,241</u>	<u>4,241</u>
	<u>\$ -</u>	<u>\$ -</u>

**Note 9 – Revolving Line of Credit**

The Organization has a \$1,000,000 revolving Line of Credit with UBS, of which \$74,260 was outstanding at June 30, 2019. The balance shown on the Statement of Financial Position of \$74,260 includes accrued interest of \$257 as of June 30, 2019. Bank advances on the credit line are payable on demand and carry a 30-day London Inter-Bank Rate + 1.75% interest rate (3.580% APR at June 30, 2020). There were no amounts outstanding on the Line of Credit at June 30, 2020.

**Note 10 – Long Term Debt**

Long term debt at June 30, 2020 and 2019, was comprised of:

	<u>2020</u>	<u>2019</u>
Mortgage note payable to Torrey Pines Bank, interest rate of 5.5%, monthly payments of \$8,363 through January 2021, collateralized by real property. (Paid off in 2020.)	\$ -	\$ 152,858
Paycheck Protection Program (“PPP”) loan due to a Financial institution. The loan is backed by the SBA. Loan may be forgiven if the Organization meets the Requirements for forgiveness. Should a portion of the loan not be forgiven, the unforgiven portion bears interest at 1.0% and is payable December 31, 2021.	191,500	-

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Less current portion	_____ -	_____ 94,193
	191,500	58,665
Reduction of long term debt for unamortized Debt issuance costs	_____ -	_____ (2,255)
Total Long term debt - net	<u>\$ 191,500</u>	<u>\$ 56,410</u>

The Organization expects to meet all of the requirements for debt forgiveness on the PPP loan and believes it will not have to repay this loan. If that forgiveness occurs in the future, the PPP loan will become income to the Organization. The Organization has not recognized any current portion or provided a debt amortization schedule on this loan due to the expected forgiveness.

**Note 11 – Net Assets With Donor Restrictions**

The Organization received contributions with donor restrictions totaling \$87,550 and \$257,907 in 2020 and 2019, respectively. Per donor imposed restrictions, the funds usage is restricted to a specific purpose and/or program. The Organization utilized \$165,868 and \$81,433 of funds with donor restrictions as of June 30, 2020 and 2019, respectively.

Net assets with donor restrictions are composed of the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose	\$ 142,769	\$ 221,087
Mama's Kitchen Endowment	25,000	25,000
The San Diego Foundation Endowment	<u>15,476</u>	<u>15,649</u>
Total Net Assets with Donor Restrictions	<u>\$ 183,245</u>	<u>\$ 261,736</u>

**Endowment Funds**

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

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The Board of Directors of Mama's Kitchen has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization would consider the funds to be underwater if the fair value of the funds are less than the sum of (1) the original value of initial and subsequent gifts donated to the funds and (2) any accumulations to the funds that are required to be maintained in perpetuity in accordance with applicable donor gift instructions. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The funds are not currently underwater.

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

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

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

The composition of endowment net assets and the changes in endowment net assets as of June 30, 2020 and 2019 are as follows:



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	<u>Net Assets with Donor Restrictions</u>
Endowment net assets, July 1, 2018	\$ 39,591
Investment return (net)	<u>1,058</u>
Endowment net assets, June 30, 2019	40,649
Investment return (net)	<u>(173)</u>
Endowment net assets, June 30, 2020	<u>\$ 40,476</u>

**Note 12 – Fund-raising and Special Events, Net**

Special events consist of various fund-raising events for the year ended June 30, 2020 and 2019, respectively, as follows:

**Fiscal year ended June 30, 2020:**

	<u>Mama's Day</u>	<u>Mama's Pies</u>	<u>Other Events</u>	<u>Total</u>
Special events revenue	\$ -	\$ 28,000	\$ -	\$ 28,000
Less: Direct expenses	<u>(5,629)</u>	<u>(31,696)</u>	<u>(11,645)</u>	<u>(48,970)</u>
Special events, net of direct expenses	<u>(5,629)</u>	<u>(3,696)</u>	<u>(11,645)</u>	<u>(20,970)</u>
Special events contributions	-	89,636	53,859	143,495
In-kind donations	100	561	308	969
Less: Indirect expenses	<u>(9,250)</u>	<u>(11,725)</u>	<u>(10,477)</u>	<u>(31,452)</u>
Net	<u>(9,150)</u>	<u>78,472</u>	<u>43,690</u>	<u>113,012</u>
Total Fund-raising and Special events	<u>\$ (14,779)</u>	<u>\$ 74,776</u>	<u>\$ 32,045</u>	<u>\$ 92,042</u>

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**Fiscal year ended June 30, 2019:**

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

**Note 13 – Donations In-Kind & Donated Services**

Mama's Kitchen received in-kind donations valued at \$55,145 and \$113,249 (excluding in-kind and donated services to special events net of expenses) for the fiscal years ended June 30, 2020 and 2019, respectively. In-kind donations of goods and services consisted of the following:

	<u>2020</u>	<u>2019</u>
Mama's Day	\$ 100	\$ 56,264
Mama's Pies	561	803
Other Special Events	6,618	-
Mama's Pantry/Food Drives	47,483	50,409
Other programs and office supplies	<u>383</u>	<u>5,773</u>
Total Donations In-kind	<u>\$ 55,145</u>	<u>\$ 113,249</u>

Mama's Kitchen also received donated delivery services for the years ended June 30, 2020 and 2019 valued at \$374,857 and \$379,114 that met the criteria under FASB ASC 958 as described in Note 1. Donated services consist of the following:

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Volunteer Hours – Delivery Services	\$ 298,431	\$ 292,072
Mileage Driven	<u>76,426</u>	<u>87,042</u>
Total Donated Services	<u>\$ 374,857</u>	<u>\$ 379,114</u>

**Note 14 – Employee Benefit Plan**

Mama's Kitchen sponsors a 401(K) profit sharing plan (a defined contribution plan) (the "Plan"). All employees are eligible to participate in the Plan on the first of the month commensurate with or next following their date of hire. Employer contributions to the Plan are based on a match of each participant's salary deferrals. Participants are 100% vested in the employer contributions after completing five years of employment in which they have performed at least 1,000 hours of service. Mama's Kitchen's contribution to the Plan was \$14,364 and \$13,303 for the fiscal years ended June 30, 2020 and 2019, respectively.

**Note 15 – Liquidity and Availability of Financial Assets**

The following reflects Mama's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or board designated endowment for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

Financial assets, at year-end	\$ 4,110,838
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(55,476)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,055,362</u>

As part of Mama's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, Mama's invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, Mama's has a committed line of credit in the amount of \$1 million, which it could draw upon.

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**Note 16 – Risks and Uncertainties**

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, could continue to be impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the ongoing pandemic. Management is carefully monitoring the situation and evaluating its options during this time. Currently, the Organization has seen an increase in funding from local government sources to provide additional services to vulnerable and affected individuals due to the pandemic. No guarantees can be given that this type of funding will continue and that the pandemic will not have a negative impact on the Organization. No adjustments have been made to these financial statements as a result of this uncertainty.

## **Supplemental Information**

**MAMA'S KITCHEN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

<i>Federal Grantor/ Pass-Through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>
<i>U.S. Department of Health and Human Services (DHHS)</i>			
Pass-Through County of San Diego Health and Human Services Agency HIV Emergency Relief Project Grant	93.914	H89HA00001	\$ 477,887
<i>Department of Housing and Urban Development (HUD)</i>			
Pass-Through County of San Diego Health and Human Services Agency Housing Opportunities for Persons With AIDS	14.241	CAH19F008	178,642
Pass-Through City of San Diego Economic Development Department Community Dependent Block Grant	14.218	B19MC060542	125,000
Pass-Through City of Vista Housing Division Community Dependent Block Grant	14.218	B19MC060575	<u>15,750</u>
Total HUD			<u>319,392</u>
Total expenditures of federal awards			<u>\$ 797,279</u>

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

**MAMA'S KITCHEN**

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

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

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

## MAMA'S KITCHEN

### NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2020

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#### **Note 1 – Basis of Presentation**

The accompanying Schedules of Expenditures of Federal Awards (the "Schedules") include the federal grant activity of Mama's Kitchen ("Mama's") under the programs of the federal government for the years ended June 30, 2020 and 2019. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedules present only a selected portion of the operations of Mama's, they are not intended to and do not present the financial position, changes in net assets, or cash flows of Mama's.

#### **Note 2 – Summary of Significant Accounting Policies**

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



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

Board of Directors  
Mama's Kitchen

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mama's Kitchen (a nonprofit organization) ("Mama's"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 17, 2020.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Ling & Bourman, LLP*

November 17, 2020  
San Diego, California

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

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

Board of Directors  
Mama's Kitchen

**Report on Compliance for Each Major Federal Program**

We have audited Mama's Kitchen (a nonprofit organization) ("Mama's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mama's major federal programs for the year ended June 30, 2020. Mama's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, Mama's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

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

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

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

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



November 17, 2020  
San Diego, California

**MAMA'S KITCHEN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

**Section I – Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	_____	yes	<u>  X  </u>	none reported
Significant deficiencies identified?	_____	yes	<u>  X  </u>	none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   none reported

Federal Awards

Internal control over major programs:

Material weaknesses identified?	_____	yes	<u>  X  </u>	none reported
Significant deficiencies identified?	_____	yes	<u>  X  </u>	none reported

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes   X   no

## **MAMA'S KITCHEN**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020**

#### **Section II – Financial Statement Findings**

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

#### **Section III – Federal Award Findings and Questioned Costs**

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

**MAMA'S KITCHEN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

**Prior Audit Findings**

None

**MAMA'S KITCHEN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

**Corrective Action Plan**

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





*Possion. People. Purpose.*

March 2021

To Whom It May Concern:

It is my pleasure to write this letter of recommendation for Mama's Kitchen on behalf Palomar Health.

Mama's Kitchen prepares and delivers medically tailored meals to San Diegans suffering from critical illness. Palomar Hospital collaborates with Mama's Kitchen as a referral partner. We serve clients who are physically and/or psychologically unable to prepare meals for themselves due to the following diagnoses HIV, cancer, congestive heart failure, type 2 diabetes or chronic kidney disease.

Mama's Kitchen provides our clients with the food they need for treatment adherence and the best possible health outcomes. This partnership streamlines the continuum of care of vulnerable San Diego County residents.

Without Mama's Kitchen's services, many of our clients would be unable to prepare meals for themselves, as many of them cannot get out to shop for, let alone prepare, nutritious foods for themselves.

Thanks to Mama's Kitchen's services, the Care Transitions Department from Palomar Health has personally seen an improvement in our clients' health statuses. Patients are grateful for the sustenance that is made available to them through Mama's Kitchen home delivery program and the convenience of this program.

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

Palomar Health is able to screen and identify those patients who will benefit from the medically-tailored meals to those affected by HIV, cancer, congestive heart failure, type 2 diabetes, and chronic kidney disease. TNot only do the clients receive healthy meals at no cost to them, but many also receive nutritional counseling, educating the client to make their own healthy meals when they become healthy enough to do so.

Please support this important program for our critically ill patients.

Sincerely,

A handwritten signature in black ink, appearing to read "Alexandra Criales".

Alexandra Criales, Care Transitions Nurse Specialist  
2185 Citracado Parkway | Escondido, CA 92029  
o. 442.281.4918 | c. 619.279.7917 |  
Alexandra.Criales@PalomarHealth.org



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. <b>Both Mini-Grant &amp; Regular:</b></p> <ol style="list-style-type: none"><li>Budget for request (use SMCF Budget Worksheet)</li><li>Annual Operating budget for the organization or unit</li><li>Federal &amp; State Tax ID numbers</li><li>Board of Directors listing with affiliations</li><li><b>Regular Grants Only:</b><ol style="list-style-type: none"><li>1-2 page narrative</li><li>First 2 pages of Federal 990</li><li>Most recent year-end Statement or Audit including any management letters associated with Audit.</li><li>Signature of President or Authorized Officer on Application</li><li>Optional: letters of support</li></ol></li></ol>		<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> <u>3/17/2021</u> Name, Title Date <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): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a></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
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
<b>Total budget for this PROJECT:</b>	<b>\$ 117,000.00</b>

**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**

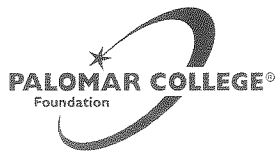
<b>REVENUE</b>	
Contributions - Scholarships	\$ 350,000
General Contributions	\$ 750,000
Foundation Grants	\$ 100,000
Fundraisers / Special Events	\$ 200,000
In-Kind Support (College District Funding)	\$ 550,000
Investment Return	\$ 40,000
Other Income	\$ 40,000
<b>TOTAL REVENUE</b>	<b>\$ 2,030,000</b>
<b>EXPENSES</b>	
<b>Supporting Services</b>	
- 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
<b>Total Supporting Services Expense</b>	<b>\$ 659,800</b>
<b>Program Services</b>	
- Grants/Allocations	\$ 600,000
- Scholarships Disbursed	\$ 500,000
- Fundraising Events	\$ 30,000
- Donated Services and Facilities *	\$ 100,000
- Supplemental Wage Expense	-
- Other Expenses	\$ 0
<b>Total Program Services Expense</b>	<b>\$ 1,230,000</b>
<b>TOTAL EXPENSES AND SERVICES</b>	<b>\$ 1,889,800</b>

\* 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](mailto:Pete_Rogers@glic.com)/ (760) 585-4008

**Dr. Li Tian, *Secretary***

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

**Malena Bennett, *Treasurer*** Realtor/Owner,

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

**Scotty Lombardi, *Immediate Past-Chair***

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

### Directors:

**Aaron Byzak**

Chief External Affairs Officer, Tri-City Medical Center  
Vista, CA  
[byzakaj@tcmc.com](mailto:byzakaj@tcmc.com)/ 760-889-3609

**Dr. Luene Corwin**

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

**Margo Cobain**

Senior Account Rep/Public Relations, EDCO  
San Marcos, CA  
[mcobian@edcodisposal.com](mailto:mcobian@edcodisposal.com)/ 760-744-5615 ext.111



**Brian Humphreys**

Director of Communications

Northrop Grumman Rancho Bernardo

Carlsbad, CA

[Brian.A.Humphreys@ngc.com/](mailto:Brian.A.Humphreys@ngc.com/) (703) 853-7199

**Celia Garcia**

Regional Development Manager, Thermo Fisher Scientific

Carlsbad, CA

[Celia.garcia@thermofisher.com/](mailto:Celia.garcia@thermofisher.com/) (760) 409-0238

**Will Rivera**

Branch Manager, Cal Coast Credit Union

San Marcos, CA

[wrivera@calcoastcu.org/](mailto:wrivera@calcoastcu.org/) (619) 972-4947

**Stephanee Taylor**

Vice President/Relationship Manager, Wells Fargo

San Diego, CA

[stephanee.n.taylor@wellsfargo.com/](mailto: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](http://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

C  
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?  
If "No," attach a list. (see instructions)Yes ☐ No ☐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 2,343,026.	Current Year 1,352,856.
	9	Program service revenue (Part VIII, line 2g)		
	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 7,978,667.	End of Year 9,116,295.
	21	Total liabilities (Part X, line 26)	48,620.	53,496.
	22	Net assets or fund balances. Subtract line 21 from line 20	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 &amp; 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)

X 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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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

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

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
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>
<b>TOTAL ASSETS</b>	<u><u>\$ 9,116,295</u></u>	<u><u>\$ 7,978,665</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
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>
<b>TOTAL LIABILITIES</b>	<u>53,496</u>	<u>48,618</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	1,450,636	1,204,040
With Donor Restrictions	<u>7,612,163</u>	<u>6,726,007</u>
<b>TOTAL NET ASSETS</b>	<u>9,062,799</u>	<u>7,930,047</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<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
<b>REVENUE AND SUPPORT</b>			
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)	-
<b>TOTAL REVENUE AND SUPPORT</b>	2,307,772	886,156	3,193,928
<b>EXPENSES</b>			
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
<b>TOTAL EXPENSES</b>	2,061,176	-	2,061,176
<b>INCREASE (DECREASE) NET ASSETS</b>	246,596	886,156	1,132,752
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,204,040	6,726,007	7,930,047
<b>NET ASSETS, END OF YEAR</b>	\$ 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
<b>REVENUE AND SUPPORT</b>			
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>
<b>TOTAL REVENUE AND SUPPORT</b>	2,797,035	(150,414)	2,646,621
<b>EXPENSES</b>			
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
<b>TOTAL EXPENSES</b>	<u>3,128,007</u>	<u>-</u>	<u>3,128,007</u>
<b>INCREASE (DECREASE) NET ASSETS</b>	(330,972)	(150,414)	(481,386)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,535,012</u>	<u>6,876,421</u>	<u>8,411,433</u>
<b>NET ASSETS, END OF YEAR</b>	<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>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	302,740	231,788
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	\$ (921)	\$ -
Proceeds From Sale of Investments	8,465	207,353
Purchase of Investments	(291,033)	(336,289)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	(283,489)	(128,936)
<b>NET INCREASE (DECREASE) IN CASH</b>	19,251	102,852
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	294,953	192,101
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<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	-	-
Total contributions receivable	-	100,000
Less: unamortized discount	-	(1,819)
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.

**SAN MARCOS COMMUNITY FOUNDATION**  
**Grant Cover Page**



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

Project Name: Court Appointed Special Advocate (CASA) Program Date Submitted: 3/30/2021	Total # of people served: 1,600 Total # of San Marcos residents served: 20	Amount Requested: \$2,500
Non-Profit Organization Name and Address, Website  Voices for Children 2851 Meadow Lark Drive San Diego, CA 92123	Contact Person – Name, Title & Phone, email  Christina Piranio Director of Philanthropy (858) 598-2216 <a href="mailto:christinap@speakupnow.org">christinap@speakupnow.org</a>	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant): Voices for Children (VFC) is requesting \$2,500 in program support which will contribute to VFC's efforts to provide critical advocacy to 20 City of San Marcos foster youth through the Court Appointed Special Advocate (CASA) Program. With your support, we will recruit, train, and supervise additional CASA volunteers who will address the educational, physical and mental health, housing, and other needs of children in foster care. The COVID-19 pandemic has created new challenges for foster youth. They are in greater need of advocacy than ever before.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community: The CASA program furthers the San Marcos Community Foundation's mission of strengthening the local community by providing children with the educational resources, physical and mental health services, and stability they need to thrive. When a CASA changes the trajectory of a foster youth's life, every San Marcos community member benefits. VFC is grateful for the 23 San Marcos community members who make the significant contribution of serving as a CASA volunteer each year.</p>		
Please attach the following items. <b>Both Mini-Grant &amp; Regular:</b> 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 <b>5. Regular Grants Only:</b> a. 1-2 page narrative b. First 2 pages of Federal 990 c. Most recent year-end Statement or Audit including any management letters associated with Audit. d. Signature of President or Authorized Officer on Application e. Optional: letters of support	Expected date project will begin/end: 7/1/2021 Date by which funds will be expended: 6/30/2022  Signature of President or Authorized Officer <i>Kelly Capen Douglas</i> 3/30/2021 Kelly Capen Douglas, President & CEO    Date	
	Submit Via Mail, In Person or Via Email to: San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a>	



## **VFC'S GRANT REQUEST TO THE SAN MARCOS COMMUNITY FOUNDATION**

### **MISSION STATEMENT**

Voices for Children's mission is to transform the lives of abused, abandoned, and neglected children by providing them with trained, volunteer Court Appointed Special Advocates (CASAs).

### **VFC HISTORY**

Voices for Children (VFC) began in 1980 when law student Kathryn Ashworth and social worker Elizabeth Bacon realized that overburdened judges lacked the information they needed to make critical decisions on behalf of children in San Diego County foster care. Determined to help children experience better home placements and more positive life outcomes, Kathryn and Elizabeth recruited volunteers to review files of children placed under court jurisdiction because of parental abuse or neglect. The group embraced the CASA model that had been created a few years earlier in Seattle and joined the National CASA Association. VFC has grown to be the largest CASA program in California and the third largest of 948 in the U.S in terms of number of children served. Through an agreement with the San Diego Superior Court, VFC is the only organization authorized to provide CASAs to children in foster care in San Diego County.

### **CASA PROGRAM OVERVIEW**

During fiscal year 2020-2021, VFC will supervise more than 1,000 community volunteers, called CASAs, who will each provide a single child or sibling group in foster care with comprehensive advocacy services. CASAs will serve more than 1,600 children in San Diego County foster care, including 20 children from San Marcos. VFC respectfully requests \$2,500 in program support from the San Marcos Community Foundation to recruit, train, and supervise CASAs who will provide advocacy to additional foster children from San Marcos.

Children in foster care face many challenges beyond the abuse that originally brought them into the system. At a time when they need consistency the most, they encounter changing home placements, school transfers, and educational setbacks. Children in foster care are more likely than their peers to have mental and physical health conditions, including anxiety, depression, learning disabilities, asthma, and speech, hearing, and vision problems (Turney and Wildeman, 2016). They are also at risk for numerous negative outcomes later in life. Only 54% of foster youth graduate high school within four years, compared to 83% of their peers (Educational Results Partnership and California College Pathways, 2019). According to John Burton Advocates for Youth, one in three youth who exits foster care in California experiences homelessness within two years. Ultimately, the system that was designed to create safety and stability for foster children can cause them significant harm.

The COVID-19 pandemic has created new challenges for foster youth including educational access barriers, isolation, and increased mental health needs. Children in foster care have never been in greater need of the individual attention, mentorship, and advocacy that a CASA provides.

CASAs get to know children individually during monthly visits where they learn about a child's strengths, personality, and goals for the future. They speak with all of the key individuals in a child's life, including caregivers, biological family members, teachers, and health providers. CASAs gain a holistic understanding of a child's academic situation, mental and physical health, housing placement, and overall well-being. Every six months, CASAs appear in court and provide a written report about a child's case. This information helps judges to make critical decisions about a child's current situation and future. CASAs also work to address the unmet needs of children by advocating for them in schools, health care settings, child welfare team meetings, foster and group homes, and elsewhere in the community. CASAs commit to volunteering 10-15 hours a month for at least 18 months, but many serve for years as they support the child through the duration of their time in foster care. For many children in foster care, their CASA is the most consistent and caring adult in their lives.

#### **FISCAL YEAR 2020-2021 OBJECTIVES**

##### **Objective 1: Recruit 215 new CASA volunteers to enroll in our training program.**

- Reach out to 50 local community groups.
- Offer monthly information sessions for prospective volunteers.
- Conduct digital marketing, including weekly social media posts and monthly blog entries.

##### **Objective 2: Screen and train 215 new CASAs and assign them to foster youth.**

- Conduct 7-8 virtual and/or in-person sessions of Advocate University, VFC's 35-hour CASA training program.
- Each prospective CASA will complete three interviews and multiple rounds of background checks, including fingerprinting

##### **Objective 3: Provide 1,600 children with ongoing CASA advocacy, including 20 children from San Marcos.**

- CASAs will meet with their assigned children at least monthly.
- CASAs will spend 10-15 hours a month visiting their assigned child and communicating with key individuals, including caregivers, family members, teachers, and health professionals.
- CASAs will submit a detailed report and attend each regularly scheduled court hearing.

#### **CONCLUSION**

VFC is committed to continuing to provide high quality advocacy and compassionate, dedicated support to children in foster care through the CASA program. As one of our older foster youth recently observed, the role of a CASA is to ensure that every child in foster care is "safe, stable, and loved." This succinct description—from a young woman who credits her CASA with changing her life—truly captures the essential role of a CASA volunteer. We are grateful to the San Marcos Community Foundation for your past support and your consideration of this application.

Form **990**  
(Rev. January 2020)  
Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

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

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**2019**  
Open to Public Inspection

**A** For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

**B** Check if applicable:

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

**C** Name of organization

**VOICES FOR CHILDREN**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

**2851 MEADOW LARK DRIVE**

City or town, state or province, country, and ZIP or foreign postal code

**SAN DIEGO, CA 92123**

**F** Name and address of principal officer: **KELLY DOUGLAS**

**SAME AS C ABOVE**

**D** Employer identification number

**95-3786047**

**E** Telephone number

**(858) 569-2019**

**G** Gross receipts \$ **8,002,138.**

**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)

**H(c)** Group exemption number ▶

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

**J** Website: ▶ **WWW.SPEAKUPNOW.ORG**

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

**L** Year of formation: **1982** **M** State of legal domicile: **CA**

## Part I Summary

Activities & Governance	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>WE RECRUIT, TRAIN, AND SUPERVISE VOLUNTEERS TO ADVOCATE FOR ABUSED CHILDREN IN FOSTER CARE.</b>
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a) <b>26</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) <b>26</b>
	<b>5</b>	Total number of individuals employed in calendar year 2019 (Part V, line 2a) <b>90</b>
	<b>6</b>	Total number of volunteers (estimate if necessary) <b>1400</b>
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12 <b>0.</b>
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 39 <b>0.</b>	
Revenue	<b>8</b>	Contributions and grants (Part VIII, line 1h) <b>5,953,325.</b>
	<b>9</b>	Program service revenue (Part VIII, line 2g) <b>0.</b>
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d) <b>31,909.</b>
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <b>50,402.</b>
	<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) <b>6,035,636.</b>
	Expenses	<b>13</b>
<b>14</b>		Benefits paid to or for members (Part IX, column (A), line 4) <b>0.</b>
<b>15</b>		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) <b>4,796,179.</b>
<b>16a</b>		Professional fundraising fees (Part IX, column (A), line 11e) <b>0.</b>
<b>b</b>		Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>651,691.</b>
<b>17</b>		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) <b>1,325,422.</b>
<b>18</b>		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) <b>6,208,088.</b>
Net Assets or Fund Balances	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12 <b>-172,452.</b>
	<b>20</b>	Total assets (Part X, line 16) <b>2,561,623.</b>
	<b>21</b>	Total liabilities (Part X, line 26) <b>502,704.</b>
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20 <b>2,058,919.</b>

## 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
	<b>GEORGE LAI, TREASURER</b> Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name <b>RICHARD HOTZ</b>	Preparer's signature
	Firm's name ▶ <b>CONSIDINE &amp; CONSIDINE</b> Firm's address ▶ <b>8989 RIO SAN DIEGO DRIVE, SUITE 250 SAN DIEGO, CA 92108</b>	Date <b>03/25/21</b> Check if self-employed <input type="checkbox"/> PTIN <b>P00452784</b> Firm's EIN ▶ <b>95-2694444</b> Phone no. <b>619.231.1977</b>

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

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

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

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

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

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

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

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

**4a** (Code: ) (Expenses \$ **4,879,231.** including grants of \$ **109,818.** ) (Revenue \$ )  
**VOICE FOR CHILDREN (VFC) RECRUITS, TRAINS, AND MANAGES OVER 1,600 VOLUNTEERS ANNUALLY TO SERVE AS COURT APPOINTED SPECIAL ADVOCATES (CASAS) AND IS THE ONLY NONPROFIT ORGANIZATION DESIGNATED BY THE STATE OF CALIFORNIA AND THE SUPERIOR COURTS OF SAN DIEGO AND RIVERSIDE COUNTIES TO PROVIDE THESE CASA SERVICES. VFC WAS FOUNDED IN 1980 IN SAN DIEGO COUNTY, AND SINCE 2015, HAS ALSO OPERATED THE CASA PROGRAM FOR RIVERSIDE COUNTY. MEN AND WOMEN CASA VOLUNTEERS PLAY AN IMPORTANT ROLE IN THE FOSTER CARE SYSTEM, BUILDING TRUSTING RELATIONSHIPS WITH FOSTER CHILDREN AND INTERFACING WITH THE PROFESSIONALS IN ORDER TO IDENTIFY AND PROTECT THE BEST INTERESTS OF ABUSED, NEGLECTED, AND ABANDONED CHILDREN IN FOSTER CARE. CURRENTLY ALL OF THE NEARLY 5,000 CHILDREN IN SAN DIEGO COUNTY FOSTER CARE RECEIVE SERVICE, AND OVER**

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

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

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

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

**4e** Total program service expenses **4,879,231.**

Form **990** (2019)



**VOICES FOR CHILDREN  
FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**



**VOICES FOR CHILDREN  
A NONPROFIT ORGANIZATION**

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III   Statements of financial position	4
IV    Statements of activities and changes in net assets	5 – 6
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Voices For Children

We have audited the accompanying financial statements of Voices For Children, a nonprofit organization, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Voices For Children, a Nonprofit Organization, as of June 30, 2020 and 2019, 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.

CONSIDINE & CONSIDINE  
An accountancy corporation

January 12, 2021

**VOICES FOR CHILDREN  
A NONPROFIT ORGANIZATION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

Page 4

ASSETS

CURRENT ASSETS

Cash (note 3)	\$ 2,880,811	\$ 1,394,708
Marketable securities (note 4)	260,070	260,177
Contributions receivable (note 5)	488,160	335,125
Grants receivable (note 6)	303,254	251,131
Prepaid expenses	27,808	135,339
	<u>3,960,103</u>	<u>2,376,480</u>

PROPERTY AND EQUIPMENT (note 8)	147,955	154,918
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OTHER ASSETS

Rent deposit	<u>30,225</u>	<u>30,225</u>
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TOTAL ASSETS	<u><u>4,138,283</u></u>	<u><u>2,561,623</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued expenses (note 9)	394,582	391,639
Deferred rent	77,050	81,195
Deferred revenue	<u>36,500</u>	<u>29,870</u>

TOTAL LIABILITIES	508,132	502,704
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NET ASSETS (note 16)

Without donor restrictions	3,391,023	1,816,928
With donor restrictions	<u>239,128</u>	<u>241,991</u>
	<u>3,630,151</u>	<u>2,058,919</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,138,283</u></u>	<u><u>\$ 2,561,623</u></u>
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See accompanying notes

**VOICES FOR CHILDREN**  
**A NONPROFIT ORGANIZATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE			
Gifts and contributions	\$ 3,794,425	\$ 101,268	\$ 3,895,693
Special events, net (note 12)			
(Less: direct benefit to donors of \$126,227)	1,415,576	-	1,415,576
Government funding	1,445,753	-	1,445,753
Contributed goods, services, and facilities	87,013	-	87,013
Realized and unrealized gain, net (note 4)	(12,477)	-	(12,477)
Interest and dividends	20,322	-	20,322
Other income - PPP funds (note 13)	870,200	-	870,200
	<u>7,620,812</u>	<u>101,268</u>	<u>7,722,080</u>
NET ASSETS RELEASED FROM RESTRICTION			
Satisfaction of program restrictions	<u>104,131</u>	<u>(104,131)</u>	<u>-</u>
TOTAL REVENUE	7,724,943	(2,863)	7,722,080
OPERATING EXPENSES			
Program services	4,883,748	-	4,883,748
Management and general	422,491	-	422,491
Fundraising	844,609	-	844,609
	<u>6,150,848</u>	<u>-</u>	<u>6,150,848</u>
CHANGE IN NET ASSETS	1,574,095	(2,863)	1,571,232
NET ASSETS, BEGINNING	<u>1,816,928</u>	<u>241,991</u>	<u>2,058,919</u>
NET ASSETS, ENDING	<u>\$ 3,391,023</u>	<u>\$ 239,128</u>	<u>\$ 3,630,151</u>

See accompanying notes

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

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

See accompanying notes

**VOICES FOR CHILDREN**  
**A NONPROFIT ORGANIZATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
EXPENSES				
Operating				
Children's assistance fund	\$ 54,679	\$ -	\$ -	\$ 54,679
Credit card fees	-	-	6,672	6,672
Dues and subscriptions	39,686	17,454	27,730	84,870
Employee benefits	214,807	10,914	20,175	245,896
Equipment and maintenance	41,328	225	682	42,235
Food and site rental	1,196	-	-	1,196
Insurance	52,912	-	-	52,912
Marketing	173,350	-	-	173,350
Materials	14,137	5,541	2,015	21,693
Mileage and meals	138,738	7,446	5,657	151,841
Office supplies	30,673	2,215	503	33,391
Payroll taxes	260,718	21,705	41,256	323,679
Printing	9,968	1,011	235	11,214
Postage	4,656	111	2,573	7,340
Professional services	20,833	57,160	6,085	84,078
Rent	371,272	17,837	38,917	428,026
Salaries	3,289,091	274,202	513,983	4,077,276
Telephone	38,402	2,093	3,509	44,004
Workers' compensation	27,271	2,564	4,664	34,499
Special Events				
Catering	-	-	131,090	131,090
Other event costs	-	-	41,613	41,613
Outside services	-	-	35,151	35,151
Printing	-	-	13,750	13,750
Site and equipment rental	-	-	70,184	70,184
In-Kind Donations				
Equipment	10,269			10,269
Event tickets	12,350	-	-	12,350
Professional services	4,517	-	-	4,517
Supplies	32,520	-	-	32,520
TOTAL EXPENSES				
BEFORE DEPRECIATION	4,843,373	420,478	966,444	6,230,295
Depreciation	40,375	2,013	4,392	46,780
TOTAL EXPENSES	4,883,748	422,491	970,836	6,277,075
Less: Direct benefits to donors at special events included in revenue	-	-	(126,227)	(126,227)
<b>TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES</b>	<b>\$ 4,883,748</b>	<b>\$ 422,491</b>	<b>\$ 844,609</b>	<b>\$ 6,150,848</b>

See accompanying notes

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

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

See accompanying notes



**VOICES FOR CHILDREN**  
**A NONPROFIT ORGANIZATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

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	<u>2020</u>	<u>2019</u>
CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 1,571,232	\$ (179,502)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Depreciation and amortization	46,780	46,322
Net realized and unrealized (gain)/loss on investments	4,373	(3,719)
Donations of marketable securities included in contributions	(173,228)	(423,291)
Change in operating assets and liabilities:		
Accounts receivable	(153,035)	(177,979)
Grants receivable	(52,123)	(103,289)
Prepaid expenses	107,531	(112,219)
Other assets	-	(1,200)
Accrued expenses	2,943	(19,405)
Deferred rent	(4,145)	12,414
Deferred revenue	6,630	(199,630)
	<u>(214,274)</u>	<u>(981,996)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	1,356,958	(1,161,498)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Purchase of property and equipment	(39,817)	(69,382)
Proceeds on sale of marketable securities	172,840	427,749
Purchase of marketable securities	(3,878)	(10,589)
	<u>129,145</u>	<u>347,778</u>
NET INCREASE/(DECREASE) IN CASH	1,486,103	(813,720)
CASH, BEGINNING OF YEAR	<u>1,394,708</u>	<u>2,208,428</u>
CASH, END OF YEAR	<u><u>\$ 2,880,811</u></u>	<u><u>\$ 1,394,708</u></u>
SUPPLEMENTAL DISCLOSURES:		
Taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

See accompanying notes

**VOICES FOR CHILDREN  
A NONPROFIT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**Page 10**

**NOTE 1 THE ORGANIZATION**

Voices for Children (the "Organization") was founded in 1980 and incorporated as a private, nonprofit organization on August 12, 1982, under Section 501(c)(3) of the Internal Revenue Code and under the laws of the State of California. The Organization operates the only Court Appointed Special Advocate (CASA) Programs in San Diego County and in Riverside County, providing critical advocacy to abused, neglected children who have been placed in the foster care system. Voices for Children recruits, trains, and supervises a large corps of volunteer CASAs, and through them transforms the lives of foster children by advocating on their behalf in the court, community, and schools. CASA volunteers undergo extensive training before being assigned to the cases of foster children. CASAs act as fact-finders for the judges, providing critical information needed to make life-altering decisions for these children. CASA volunteers get to know their court-appointed child by talking with everyone in that child's life: parents and relatives, foster parents, teachers, medical professionals, attorneys, and social workers. They use the information they gather to inform judges and others about what the child needs and they help find the best permanent home for them.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting** - The financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles.

**Basis of presentation** - Under accounting standards on financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

**Net assets without donor restrictions** - Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

**Net assets with donor restrictions** – Net assets with donor restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. At June 30, 2020 and 2019 the Organization had donor restricted assets of \$239,128 and \$241,991 respectively.

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

**Cash** - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents.

**VOICES FOR CHILDREN**  
**A NONPROFIT ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**Page 11**

Marketable Securities - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values as quoted by market exchanges in the statement of financial position. Unrealized and realized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Value Measurement - The Organization follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value, and enhances disclosures about fair value measurements for all financial assets and liabilities.

Property and Equipment - The Organization capitalizes property and equipment in excess of \$500 that has a useful life of five to seven years. Property and equipment are carried at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of five to seven years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Deferred Revenue - Revenues received in advance of a special event are deferred. The revenues are recognized when the event occurs.

Contributions - Contributions received are considered to be without donor restrictions and available for general use unless designated by the donor for a specific purpose. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions Receivable - Contributions receivable consist of unconditional promises to give and are recorded in the year the promise is made. Conditional promises are not recognized until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated cash flows. The Organization provides for probable losses on contributions receivable using the allowance method. The allowance is determined based on management's experience and collection efforts.

The discounts on contributions receivable are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The interest rate used in computing the discount of estimated future cash flows was 3% for pledges received in 2020 and 2019.

**VOICES FOR CHILDREN  
A NONPROFIT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**Page 12**

Contributed Goods, Services and Facilities – The Organization has received substantial donations of goods, professional services, and use of facilities. These in-kind donations are valued at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the value of contributed services received if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The In-kind Contributions consist of the following for the year ended June 30:

	2020	2019
Donated facilities	\$ 27,357	\$ 30,206
Event tickets	12,350	6,460
Equipment	10,269	-
Professional services	4,517	6,008
Marketing	-	22,100
Other miscellaneous contributions	32,520	29,869
	<u>\$ 87,013</u>	<u>\$ 94,643</u>

An integral component of the Organization's work with foster children is its network of over 1,400 volunteers. Many volunteers dedicate 20-25 hours or more each month to their activities with foster children and the Organization tracks their reported hours. For fiscal years ending June 30, 2020 and 2019, the combined donated hours reported by all the Organization's volunteers totaled 114,704 and 163,495, respectively. The value of these hours is substantial, as the Independent Sector values similar services in California at \$31.51 per hour as of 2019, the most recent data available (the Independent Sector's volunteer value is based on the hourly earnings provided by the Bureau of Labor Statistics, indexed to determine state's values, and increased by 12 percent estimated for fringe benefits). The Organization's volunteers are highly trained and closely supervised in their court advocacy and assessment activities; however, they do not meet the criteria under generally accepted accounting principles to be recorded as donated services.

Functional Allocation of Expenses – The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenditures which can be identified with a specific program or support service are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Organization's management.

Advertising Costs - The Organization expenses advertising costs as incurred. Advertising expense for the years ended June 30, 2020 and 2019 was \$173,350 and \$148,021 respectively.

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Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

The Organization follows accounting standards which provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax position and believes that all of the positions taken in its exempt-organization tax returns are more likely than not to be sustained upon examination. As of June 30, 2020 and 2019, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California.

Reclassifications - Certain reclassifications have been made to the 2019 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Recent accounting pronouncements

Accounting Standards Update No. 2014-09, 2016-08, 2016-10, 2016-12 and 2016-20, collectively implemented as Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") Topic 606 ("ASC 606") Revenue from Contracts with Customers, provides guidance for revenue recognition. This ASC's core principle requires an organization to recognize revenue when it transfers promised goods or services to recipients in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods or services. The standard also clarifies the principal versus agent considerations, providing the evaluation must focus on whether the entity has control of the goods or services before they are transferred to the recipient. The new standard permits the use of either the modified retrospective or full retrospective transition method.

The Organization has performed a review of the new guidance as compared to its current accounting policies, and evaluated all services rendered to its recipients as well as underlying contracts to determine the impact of this standard to its revenue recognition process. Upon completion of its review of relevant contracts, the Organization has made a determination that there is no material impact to revenue recognition upon adoption of the new standard. Additionally, there have not been significant changes to the Organization's business processes, systems, or internal controls as a result of implementing the standard. The Organization adopted the standard on July 1, 2019, using the modified retrospective transition method.

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In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU includes clarification regarding the accounting for contracts and agreements as exchange transactions or contributions and provides improved guidance to better distinguish between conditional and unconditional contributions. The Organization adopted ASU 2018 08, under the modified prospective approach to agreements that were either not completed as of June 1, 2019 or entered into after June 1, 2019. The adoption of this ASU did not have a material effect on the financial statements for contributions received. The Organization does not make significant contributions and the impact of ASU 2018-08 related to contributions made is not expected to be material to the financial statements or disclosures.

In February 2016, the FASB issued a new leases standard which sets out principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The new standard will be effective for the Organization beginning on July 1, 2021, with early adoption permitted, though the Organization currently anticipates adopting the new standard on the effective date. The new standard must be adopted using a modified retrospective method, which requires application of the new guidance at the beginning of the earliest comparative period presented and provides for certain practical expedients. The organization is assessing the effect of the new standard on its financial statements, though it does not anticipate changes to its current revenue recognition practices.

**NOTE 3     CASH**

The Organization maintains its cash in two national commercial banks. Accounts at these institutions are partially insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2020 and 2019, the Organization had approximately \$2,641,000 and \$858,000, respectively, in excess of their insured limits at the financial institutions. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk with respect to its cash.

Cash consists of the following:

	<u>2020</u>	<u>2019</u>
Unrestricted cash	\$ 2,844,714	\$ 1,364,269
Restricted cash	<u>36,097</u>	<u>30,439</u>
	<u>\$ 2,880,811</u>	<u>\$ 1,394,708</u>

The restricted accounts have donor restrictions on their use and cannot be used for the Organization's operational expenses.

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**NOTE 4     MARKETABLE SECURITIES**

Marketable securities consist of the following:

<u>2020</u>	<u>Cost</u>	<u>Fair value</u>
Bond funds	\$ 42,056	\$ 42,930
Equity funds	205,379	217,140
	<u>\$ 247,435</u>	<u>\$ 260,070</u>
 <u>2019</u>	 <u>Cost</u>	 <u>Fair value</u>
Bond funds	\$ 46,951	\$ 46,282
Equity funds	204,360	213,895
	<u>\$ 251,311</u>	<u>\$ 260,177</u>

Investment Income from Marketable Securities consists of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 20,322	\$ 21,140
Equity funds	(12,477)	3,719
	<u>\$ 7,845</u>	<u>\$ 24,859</u>

**NOTE 5     CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Unconditional promises to give (due within one year)	\$ 447,629	\$ 286,073
Restricted pledges (due within one year)	40,531	49,052
	<u>\$ 488,160</u>	<u>\$ 335,125</u>

**NOTE 6     GRANTS RECEIVABLE**

Grants receivable consists of amounts due from various state agencies for the salaries of certain program employees, that have been incurred. As of June 30, 2020 and 2019, amounts due from various state agencies were \$303,254 and \$251,131 respectively. An allowance for doubtful accounts is accounted for using the specific identification method and uncollectible accounts are written-off after all collection attempts have been exhausted. Management believes that all grants receivable were collectible as of June 30, 2020 and 2019, therefore no allowance has been recorded.

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**NOTE 7 FAIR VALUE MEASUREMENT**

The Organization follows the methods of fair value measurement to value its financial assets. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial assets and liabilities carried at fair value at June 30, 2020 and 2019 are classified below in one of three categories described above. The tables below present the balances of assets measured at fair value on a recurring basis.

	2020 Level 1	2020 Level 2	2020 Level 3	2020 Total
Mutual funds:				
U.S. large cap funds	\$ 131,315	\$ -	\$ -	\$ 131,315
Bond funds	42,930	-	-	42,930
International funds	33,541	-	-	33,541
U.S. small-mid cap funds	22,429	-	-	22,429
Real estate securities funds	29,855	-	-	29,855
	<u>\$ 260,070</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,070</u>
	2019 Level 1	2019 Level 2	2019 Level 3	2019 Total
Mutual funds:				
U.S. large cap funds	\$ 91,063	\$ -	\$ -	\$ 91,063
Bond funds	46,282	-	-	46,282
International funds	33,348	-	-	33,348
U.S. small-mid cap funds	19,925	-	-	19,925
Real estate securities funds	65,369	-	-	65,369
Multi-strategy funds	4,190	-	-	4,190
	<u>\$ 260,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,177</u>



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**NOTE 8     PROPERTY AND EQUIPMENT**

Major categories of property and equipment are summarized as follows:

	Balance June 30, 2019	Additions	Disposals	Balance June 30, 2020
Office furniture and equipment	\$ 292,787	\$ 3,609	\$ -	\$ 296,396
Computers	268,808	35,187	-	303,995
Phone system	45,369	1,021	-	46,390
	<u>\$ 606,964</u>	<u>\$ 39,817</u>	<u>\$ -</u>	646,781
Accumulated depreciation				(498,826)
				<u>\$ 147,955</u>

	Balance June 30, 2018	Additions	Disposals	Balance June 30, 2019
Office furniture and equipment	\$ 307,469	\$ 8,577	\$ (23,259)	\$ 292,787
Computers	261,904	45,746	(38,842)	268,808
Phone system	100,692	15,059	(70,382)	45,369
	<u>\$ 670,065</u>	<u>\$ 69,382</u>	<u>\$ (132,483)</u>	606,964
Accumulated depreciation				(452,046)
				<u>\$ 154,918</u>

Depreciation expense was \$46,780 and \$46,322 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 9     ACCRUED EXPENSES**

Accrued expenses consist of the following:

	2020	2019
Accrued payroll	\$ 182,169	\$ 151,200
Accrued vacation	174,802	162,612
Accrued payables	37,611	77,827
	<u>\$ 394,582</u>	<u>\$ 391,639</u>

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**NOTE 10    LINE OF CREDIT**

The Organization has a line of credit for \$400,000 with California Bank & Trust. The Organization has drawn \$0 against this line as of June 30, 2020 and 2019. The line of credit is collateralized by substantially all of the assets of the Organization. The interest rate on the line is 6.5% at June 30, 2019. The line of credit matured on May 14, 2020 (see note 18). The interest rate on the line was 6.5% at the time of maturity.

**NOTE 11    RETIREMENT PLAN**

The Organization maintains a tax-deferred retirement plan qualified under Section 403(b) of the Internal Revenue Code. Eligible employees may contribute a percentage of their compensation to the plan. The Organization does not make contributions to the plan.

While the Organization expects to continue the plan indefinitely, it has reserved the right to modify, amend, or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or their beneficiaries.

**NOTE 12    SPECIAL EVENTS**

Special events revenues and expenses are directly related to fundraising and consist of the following:

	2020	2019
Revenue		
Starry starry night	\$ 1,177,689	\$ 1,303,274
Wine, women, and shoes	275,016	500,792
Fostering hope golf classic	-	262,589
Other fundraisers	89,098	88,545
	<u>1,541,803</u>	<u>2,155,200</u>
Expenses		
Starry starry night	235,361	359,717
Wine, women, and shoes	27,169	84,850
Fostering hope golf classic	732	78,785
Other fundraisers	28,526	38,784
	<u>291,788</u>	<u>562,136</u>
	<u><u>\$ 1,250,015</u></u>	<u><u>\$ 1,593,064</u></u>

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**NOTE 13    PPP FUNDS**

On April 14, 2020, the Organization entered into note payable agreement with California Bank & Trust Bank for \$870,200, pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The note matures two years from the disbursement date and bears interest at a rate of 1.000% per annum, with the first six months of interest deferred. Principal and interest are payable monthly commencing six months after the disbursement date and may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. The note is subject to forgiveness to the extent proceeds are used for payroll costs, including payments required to continue group health care benefits, and certain rent, utility, and mortgage interest expenses (qualifying expenses), pursuant to the terms and limitations of the PPP. On August 3, 2020, the Organization completed its loan forgiveness application. On November 5, 2020, the Organization received an approval letter from the Small Business Administration, stated that their PPP loan had been fully forgiven. The loan forgiveness has been recorded as other income – PPP funds, on the statement of activities and changes in net assets.

**NOTE 14    COMMITMENTS**

The Organization is currently leasing office space under an operating lease that expires in March 2024. Rent expense for 2020 and 2019 was \$428,026 and \$419,838 respectively; which includes \$27,357 and \$30,206 of donated office space from the Juvenile Court for the years ended June 30, 2020 and 2019 respectively. The Organization expects that the Juvenile Court will make such in-kind donations in the future.

The organization entered into an eighty-eight month building lease agreement on July 1, 2015. The lease is effective July 1, 2015 and expires on March 31, 2024. Base rent is initially set at approximately \$26,300. Total base rent payable over the lease period is \$3,006,630.

Minimum future payments under non-cancelable operating leases, in aggregate, having remaining terms in excess of one year for the years ended June 30 are as follows:

2021	\$	347,760
2022		365,148
2023		365,148
2024		287,550
		<u>\$ 1,365,606</u>

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**NOTE 15    ENDOWMENT FUND**

In 2017 the Organization received funds totaling \$100,000 from two donors, for the purpose of establishing a restricted endowment fund, in the honor of former President/CEO Sharon M. Lawrence. During 2018, the Organization received an additional \$62,500. As a result, the Organization is now subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization's Board of Directors has interpreted the UPMIFA as permitting the expenditure or accumulation of as much of endowment funds as the Organization determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund was established, even if this results in the occasional invasion of the endowment's historical gift value. Thus, at times, the value of donor-restricted assets may fall below the level that a donor requires the Organization to maintain as restricted net assets. As of June 30, 2020 and 2019, the value of the donor-restricted assets had not fallen below the original donated level.

The Organization classifies as restricted endowment net assets (a) the original value of gifts used to establish endowments and (b) the original value of subsequent gifts to endowments: collectively known as "historical gift value."

Included in marketable securities on the Statement of Financial Position are restricted investments held in an endowment fund. The objective of the endowment fund is to support the continuing operations of the Organization. During the fiscal year ending June 30, 2018, the Organization delegated authority over the investment of the Endowment Fund to the Finance Committee (the "Committee"). The Committee is responsible for the oversight of the investments of the Endowment Fund and for reporting on the Fund's performance to the Board. The Committee is authorized to retain an investment manager to make investment decisions.

To achieve the desired objective, the Organization will adopt an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are typically invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to meet the annual distribution policy rules while growing the fund if possible. Investment risk is measured in terms of the total endowment fund, investment assets, and allocation between asset classes. Strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment payout is defined as a fixed percentage of the market value of the Endowment Funds that can be used for appropriation every year. This amount will be available for Organization-wide operating purposes, including investment management fees for the Endowment Fund. As of June 30, 2020, the endowment payout is set at 5% as determined by the finance committee.

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The portion of the Endowment Fund that is classified as with donor restrictions (to be held in perpetuity) is not reduced by losses on the investments of the fund. Losses on the investments of the funds reduce the net assets with donor restrictions to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs. Any remaining losses reduce net assets without donor restrictions. All additions over the historical gift value may, subject to the discretion of the board of directors, to be used to fund distributions supporting the purposes of the fund.

Changes in endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
Balance, beginning of year	\$ 170,994	\$ 166,620
Net investment return	1,312	5,127
Investment and trustee fees	(773)	(753)
Balance, end of year	<u>\$ 171,533</u>	<u>\$ 170,994</u>

As of June 30, 2020 and 2019, endowment net assets composition are as follows:

	2020	2019
Donor historical gift value	\$ 162,500	\$ 162,500
Accumulated investment gains	9,033	8,494
Balance, end of year	<u>\$ 171,533</u>	<u>\$ 170,994</u>

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**NOTE 16    NET ASSETS**

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or events specified by donors during fiscal years ended June 30 are as follows:

	2020	2019
Purpose restrictions accomplished:		
Grant fulfillment	\$ 49,052	\$ 53,100
Children's assistance program	55,079	52,199
	<u>\$ 104,131</u>	<u>\$ 105,299</u>

Net assets consist of the following at June 30:

	2020	2019
Without donor restrictions:		
Undesignated and unrestricted	\$ 3,391,023	\$ 1,816,928
With donor restrictions		
Subject to expenditure for specific purpose:		
Grant fulfillment	40,531	49,052
Children's assistance program	36,097	30,439
Endowments held in perpetuity	162,500	162,500
	<u>239,128</u>	<u>241,991</u>
	<u>\$ 3,630,151</u>	<u>\$ 2,058,919</u>

**NOTE 17    LIQUIDITY AND AVAILABILITY**

The Organization is substantially supported by contributions without donor restrictions. Contributions and expenses are monitored on a monthly basis by the Organization's management and a committee of the Board of Directors. The level of assets are monitored on an annual basis. The Organization's goal is to be able to function within the boundaries of the income received throughout the year.

The Organization currently has a line of credit established with a local bank. The line of credit ensures short-term financial ability of the Organization to pay general expenditures. As part of the Organization's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization manages its liquidity following three guiding principles: operating within a prudent range of financial stewardship and stability, maintaining adequate liquid assets to fund near term operating needs, and maintaining sufficient funds to provide reasonable assurance that long-term obligations will be discharged.

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The following reflects the Organization's financial assets as of June 30, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets, at year-end:

Cash	\$ 2,880,811
Contributions receivable	488,160
Grants receivable	303,254
Marketable securities	<u>260,070</u>
Total financial assets	<u>3,932,295</u>

Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:

Restricted for specific programs	(76,628)
Endowment funds held in perpetuity	<u>(162,500)</u>
	<u>(239,128)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 3,693,167</u></u>

**NOTE 18 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 12, 2021, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements, except as noted below:

As a result of the spread of the Covid-19 Coronavirus and the resulting stay-at-home orders issued by the State of California, the state in which the Organization operates, the Organization is experiencing reduced contributions. The duration of the reduction in contributions may be only temporary. However, the related financial impact and duration cannot be reasonably estimated at this time.

On November 5, 2020, the Organization received an approval letter from the Small Business Administration, stated that their PPP loan had been fully forgiven (see note 13).

In November 2020, the Organization renewed the line of credit for \$400,000 with California Bank & Trust at a rate of 4.5%. The line of credit is set to mature on August 14, 2021.

**SAN MARCOS COMMUNITY FOUNDATION**  
**Grant Cover Page**



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

Project Name: Environmental STEM & Nutrition Education Program with San Marcos Promise's LEAP Program  Date Submitted: 4/7/2021	Total # of people served: 180  Total # of San Marcos residents served: 180	Amount Requested: \$6,000
Non-Profit Organization Name and Address, Website Coastal Roots Farm 441 Saxony Road Encinitas, CA 92024 <a href="http://www.coastalrootsfarm.org">www.coastalrootsfarm.org</a>	Contact Person – Name, Title & Phone, email Javier Guerrero President and CEO 760-479-6517 <a href="mailto:javier@coastalrootsfarm.org">javier@coastalrootsfarm.org</a>	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Coastal Roots Farm (Farm) is requesting \$6,000 to support a new environmental educational initiative in collaboration with San Marcos Promise's LEAP Program to provide San Marcos students (K-5<sup>th</sup> grade) equitable access to quality, outdoor environmental learning opportunities. This pilot program will bring approximately 180 San Marcos youth to the Farm over spring, summer and fall 2021 and provide them with customized enrichment curriculum. Funds will cover the costs of supplies and materials for student activity packets to take home, education staffing for weeklong onsite and virtual program implementation, and maintenance of our extensive outdoor learning spaces (Educational Farm and Gardens, indoor-outdoor Farm STEM-Science Lab with a Mobile Teaching Kitchen and science equipment, and a Nature Play and Environmental Learning Space).</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>Getting youth outdoors matters, but nature-based educational opportunities are not equally available for all youth, especially those from underserved communities. According to NGSS, California elementary and middle school students rank below average among all states in science and math education, with significant outcome gaps for BIPOC and other low-income youth. COVID-19 has exacerbated education inequities and school closures are leading to learning loss, regression in academic achievements, and lost opportunities for social-emotional development in youth. Research has consistently shown when youth have access to experiential learning, both inside and outside of the classroom, they make significant academic gains. Farm programs utilize our 17-acre outdoor "classroom" to bring STEM concepts to life, provide youth with unique opportunities to gain deep, real-world understanding of important scientific topics through nature-based learning, and also balance "screen time with green time" by getting outdoors, engaging in hands-on learning, and safely socializing.</p>		
<p>Please attach the following items.</p> <p><b>Both Mini-Grant &amp; Regular:</b></p> <ol style="list-style-type: none"> <li>1. Budget for request (use SMCF Budget Worksheet)</li> <li>2. Annual Operating budget for the organization or unit</li> <li>3. Federal &amp; State Tax ID numbers</li> <li>4. Board of Directors listing with affiliations</li> <li>5. <b>Regular Grants Only:</b> <ol style="list-style-type: none"> <li>a. 1-2 page narrative</li> <li>b. First 2 pages of Federal 990</li> <li>c. Most recent year-end Statement or Audit including any management letters associated with Audit.</li> <li>d. Signature of President or Authorized Officer on Application</li> <li>e. Optional: letters of support</li> </ol> </li> </ol>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Expected date project will begin/end: 4/21/021-4/20/22</p> <p>Date by which funds will be expended: 4/20/2022</p> <p>Signature of President or Authorized Officer</p> <div style="text-align: center;">             Name/Title            Javier Guerrero, President and CEO         </div> </div> <div style="width: 45%; text-align: right;"> <p>4/5/2021</p> <p>Date</p> </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 - <a href="mailto:cityclerk@san-marcos.net">cityclerk@san-marcos.net</a></p>		





## **FUNDING REQUEST TO SAN MARCOS COMMUNITY FOUNDATION PROPOSAL NARRATIVE 2021**

Coastal Roots Farm (Farm) is requesting \$6,000 to support a new environmental educational initiative in collaboration with San Marcos Promise's LEAP Program to provide San Marcos students (K-5<sup>th</sup> grade) with equitable access to quality, outdoor environmental learning opportunities. This pilot program will bring approximately 180 San Marcos youth to the Farm over spring, summer, and fall 2021 and provide them with customized enrichment curriculum. Funds will cover the costs of supplies and materials for student activity packets to take home, education staffing for weeklong on-site and virtual program implementation, and maintenance of our extensive outdoor learning spaces (Educational Farm and Gardens, indoor-outdoor Farm STEM-Science Lab with a Mobile Teaching Kitchen and science equipment, and a newly constructed Nature Play and Environmental Learning Space).

### **COMMUNITY NEED**

According to NGSS, California elementary and middle school students rank below average among all states in science education, with significant outcome gaps for BIPOC and other low-income youth. Achievement gaps also increase when comparing female students to their male counterparts. Girls are systematically discouraged from pursuing STEM topics throughout their education, limiting career options. According to AAUW, women make up only 28% of the STEM workforce, with gaps particularly high in the fastest-growing and highest-paid STEM jobs. Research has consistently shown when youth have access to experiential learning both inside and outside of the classroom, they make significant academic gains. Learning in nature helps kids stay more engaged in the classroom by making coursework more relevant and fun.

Getting youth outdoors matters, but nature-based educational opportunities are not equally available for youth from low-income and underserved communities. According to The San Diego Foundation's 2020 Parks for Everyone Report, 45% of the total land in San Diego County is green space, but the most park-poor areas overlap with the communities that have higher youth populations and poverty. In San Marcos, they report fewer than 8-acres of parkland per 1,000 people and a lower than median average household income. In recent months, COVID-19 has exacerbated historic imbalances of who has access to safe outdoor space, while school closures and unequal access to quality learning opportunities are leading to learning loss, regression in academic achievements, and lost opportunities for social-emotional development in youth. This could translate to long-term skill gaps, lost wages, and decreased self-sufficiency.

During this challenging period of distance learning, the Farm adapted many of its educational programs to virtual platforms to reach students in need of quality virtual learning opportunities, while also continuing to balance "screen time with green time" by safely getting youth outdoors, engaging in hands-on learning, and safely socializing.

### **ENVIRONMENTAL STEM & NUTRITION EDUCATION: SAN MARCOS PROMISE LEAP PROGRAM**

Utilizing our 17-acre outdoor "classroom," we practice a "hands-on, minds-on," innovative and youthful approach to learning. We provide youth unique opportunities to gain deep,

real-world understanding of important scientific topics through nature-based play and learning. Programs are designed to foster curiosity, connect students with the origins of their food, encourage healthy decision-making, prepare the next generation for careers in STEM-related fields, and inspire future generations of environmental leaders. Starting in late April 2021, the Farm will launch a new collaboration with San Marcos Promise's LEAP Program to provide San Marcos students (K-5<sup>th</sup> grade) with a farm-based enrichment curriculum. This pilot program will provide no-cost spring, summer, and fall outdoor enrichment programming that otherwise would not have been offered this academic year due to COVID-19. LEAP courses encourage youth to explore their interests, discover new passions and potential career paths, and build real-world academic, social, and emotional skills. This spring, the Farm will pilot this new program and welcome approximately 60 San Marcos students to the Farm for a five-session hybrid (virtual and on-site) curriculum. Students will visit the farm twice as well as learn from Farm Educators during three virtual sessions.

- **Session 1 – On-site:** Students visit the Farm for a day of sensory exploration, including a sensory scavenger hunt, harvesting fruits, herbs, and vegetables, preparing a healthy snack, and pickling a vegetable to take home. Students receive activity packets to take home, including soil, seeds, pot, popcorn, honey sticks, etc).
- **Session 2 – Virtual:** Utilizing materials from their activity packets, the students are guided through a lesson on planting their seeds and caring for them, followed by curriculum on soil and plants.
- **Session 3 – Virtual:** Students are guided through a “Three Sisters” themed course on sustainable, ancient indigenous agricultural techniques, including companion planting. Students continue to care for their seedling.
- **Session 4 – Virtual:** Students learn the importance of pollinators to our food system and why they are a critical component to a functioning ecosystem.
- **Session 5– On-site:** Students visit the Farm again, with a focus on the Farm's food equity and food justice initiatives. Students brainstorm and discuss ways they too can help their community.

This program will be ongoing with summer and fall courses following a similar five-session structure for approximately 60 students each season. For now, we will implement a hybrid model (virtual and on-site sessions), and our plan is to be fully on-site by this summer.

## OUTCOMES

Through this partnership with San Marcos Promise's LEAP Program, the Farm will engage 180 San Marcos students in hands-on, experiential, environmental education. During this program, youth will become environmental scientists and engage all of their senses to understand the natural world. Students will harvest, prepare, and taste fresh produce, witnessing first-hand the unique experience of “soil to fork,” learning where their food comes from, why this matters, and how their choices can impact their health and the world. These types of experiences can foster life-long interest and healthy habits. Further, at the Farm, students are exposed to STEM topics and agricultural career options in ways that are relatable, accessible, and engaging. Over the past year, teacher evaluations for both On-site and Virtual Environmental STEM Education Program for Schools and Group Visits have been overwhelmingly positive and we expect similar outcomes for our collaboration with San Marcos Promise's LEAP Program.

# 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)

*The below project budget is a portion of our Environmental STEM Education Program. Full Environmental STEM Education Program Budget Attached*

**Farm Educator** **\$4,000**

**Activity packets for 180 students**

(Pots, soil, seeds, herbs, pickling supplies, craft paper, honey sticks, etc.) **\$1,500**

**Repair and Maintenance of Farm Educational Spaces**

(Educational Farm and Gardens, indoor-outdoor Farm STEM-Science Lab,  
Mobile Teaching Kitchen and science equipment, Education Farm and Gardens,  
and a Nature Play and Environmental Learning Space) **\$500**

**Total budget for this PROJECT:** **\$6,000**

**Grant Request Amount:** **\$6,000**

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

Is this a challenge grant? **No**

Could it be? **Yes**

**Please list any other funding sources for this project.**

*\*\*Indicate if funds are committed (C), conditional (CD), or pending (P). These are the confirmed and outstanding funders for our Environmental STEM Education Program overall, a portion of which will be allocated to our environmental education program in collaboration with San Marcos Promise.*

\$10,000	Patagonia	**C
\$10,000	Sprouts Foundation	**C
\$6,000	Nordson Corporation	**C
\$5,000	Genentech	**C
\$3,500	General Atomics	**C
\$2,500	San Diego Community Enhancement Program (CEP) –District 3	**C
\$2,500	BAE Systems	**C
\$40,000	Women Give San Diego	**P
\$35,000	Honda Foundation	**P
\$20,000	Bank of America	**P
\$12,157	Boys and Girls Foundation	**P
\$10,000	Sony	**P
\$10,000	U.S. Bank	**P
\$7,500	Zovio	**P
\$3,500	Charitable Foundation	**P



## Coastal Roots Farm: FY 2020 - 2021 Environmental STEM Education Program Budget

Revenue	FY21 Budget
Private Contributions (Individual and Foundations)	\$ 148,540
Corporate Support (Sponsorships and Grants)	\$ 15,600
Government Support	\$ 4,500
In-Kind Contribution	\$ 24,600
Earned Revenue (School and Group Visits, Farm Camps)	\$ 115,705
Fundraising (Year End Campaigns, Farm Founder Membership, Events)	\$ 38,700
<b>Total Revenue</b>	<b>\$ 347,645</b>
<b>Expenses</b>	
Personnel: Farm Educators and Camp Counselors	\$ 270,966
Education Program Supplies (soil, seeds, pots, field journals, PPE, etc)	\$ 13,387
Education Program Operations (Includes maintenance of educational spaces, including Education Farm and Gardens, an indoor-outdoor STEM Science Lab, a newly constructed Nature Play and Environmental Learning Space, and a new Mobile Teaching Kitchen)	\$ 7,496
Marketing, Communications and Outreach	\$ 9,663
Evaluation and Reporting	\$ 5,252
<b>Subtotal</b>	<b>\$ 306,764</b>
Overhead 12%	\$ 36,812
<b>Total Expenses</b>	<b>\$ 343,576</b>
<b>Net Profit (Loss)</b>	<b>\$ 4,069</b>



### Coastal Roots Farm: FY 2020 - 2021 Organizational Budget

Revenue	FY21 Budget	FY20 Actual
Private Contributions (Individual and Foundations)	\$ 1,061,000	\$ 1,284,076
Corporate Support (Sponsorships and Grants)	\$ 104,000	\$ 119,729
Government Support	\$ 30,000	\$ 217,404
In-Kind Contribution (Rent and Professional Services)	\$ 325,000	\$ 241,355
Social Enterprise and Earned Revenue (Farm Stand, Composting, Community Events and Festivals, Farm Camps, School and Group Visits, Farm Tours)	\$ 252,488	\$ 219,486
Fundraising (Year End Campaign, Farm Founder Memberships, Events)	\$ 258,000	\$ 126,762
<b>TOTAL</b>	<b>\$ 2,030,488</b>	<b>\$ 2,208,812</b>
Expenses		
Personnel	\$ 1,410,727	\$ 1,325,618
Program Expense - Supplies (Farm Production, Food Distribution, Farm Education, Community Events, and Jewish Agricultural Festivals, includes Seeds, Tools, Post-Harvest Materials, PPE, Fuel, etc.)	\$ 93,000	\$ 102,514
Program Expense - Repairs and Maintenance (Farm Production and Food Distribution, includes Equipment, Pest Control, Irrigation, Vehicles, etc.)	\$ 30,695	\$ 25,003
Program Expense - Operations (Farm Production, Food Distribution, Farm Education, Community Events, and Jewish Agricultural Festivals - includes Insurance, Permits, Fees, Licenses, IT services, Water, Utilities, In-Kind Rent and Professional Services)	\$ 449,741	\$ 387,530
Program Expense - Marketing and Evaluation	\$ 2,994	\$ 17,053
Depreciation	\$ 41,112	\$ 41,898
<b>Total Expenses</b>	<b>\$ 2,028,269</b>	<b>\$ 1,899,616</b>
<b>NET PROFIT (LOSS)</b>	<b>\$ 2,219</b>	<b>\$ 309,196</b>



## BOARD OF DIRECTORS 2021

**Charlene Seidle, Chair** | Executive Vice President, Leichtag Foundation

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

**Adam Berman** | Executive Director, Urban Adamah

**Sharyn Goodson\*** | Vice President, Philanthropy, Leichtag Foundation

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

**Javier Guerrero** | President and Chief Executive Officer, Coastal Roots Farm

**Todd Frank** | President and CEO, Frank Financial Services

*\* Non-Voting Members*



January 27, 2021

To Whom It May Concern,

It is my pleasure to write a letter of support for Coastal Roots Farm for the San Marcos Unified School District's Environmental STEM and Nutrition Program in partnership with The San Marcos Promise.

The San Marcos Promise's vision is to make the communities of North San Diego County the most sought after places to live and work by investing in our San Marcos Unified School District students to ensure their college and career readiness. We share Coastal Roots Farm's belief that all students should have access to high-quality outdoor learning experiences as a part of their school education, and are grateful for their dedication to "Nourishing Community" by providing these unique opportunities on a sliding scale.

We are planning to pilot this partnership as an alternative to our after-school LEAP program for the spring, which will reach "Littles" grades K-2, "Middles" grades 3-6, and "Big Kids" grades 7-12. We look forward to a hybrid model involving both virtual classes during which students can "experience" the Farm and on-site classes. In addition to this Spring pilot, we look forward to working with Coastal Roots Farm's Education Team to confirm the schedule and program offerings for this summer. The summer program partnership with Coastal Roots will be in addition to our LEAP summer courses offered at SMUSD school sites.

We are thrilled to have Coastal Roots Farm as our partner in reaching San Marcos Unified School District students.

Sincerely,

*Lisa Stort*

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

DEPARTMENT OF THE TREASURY

Date: DEC 8 - 2015

COASTAL ROOTS FARM  
441 SAXONY RD  
ENCINITAS, CA 92024

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

Dear Applicant:

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

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

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

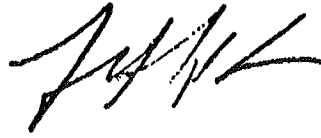
If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

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



COASTAL ROOTS FARM

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey I. Cooper". The signature is stylized with a large, sweeping "J" and "C".

Jeffrey I. Cooper  
Director, Exempt Organizations  
Rulings and Agreements



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](http://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

Form **990**

Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2018**

Open to Public Inspection

**A** For the 2018 calendar year, or tax year beginning **OCT 1, 2018** and ending **SEP 30, 2019**

**B** Check if applicable:

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

**C** Name of organization

**COASTAL ROOTS FARM**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

**441 SAXONY RD**

City or town, state or province, country, and ZIP or foreign postal code

**ENCINITAS, CA 92024**

**F** Name and address of principal officer: **CHARLENE SEIDLE**  
**SAME AS C ABOVE**

**D** Employer identification number

**47-1570910**

**E** Telephone number

**760-431-7949**

**G** Gross receipts \$ **1,581,608.**

**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)

**H(c)** Group exemption number ▶

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

**J** Website: ▶ **HTTPS://COASTALROOTSFARM.ORG/**

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

**L** Year of formation: **2014** **M** State of legal domicile: **CA**

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>CULTIVATES HEALTHY COMMUNITIES INTEGRATING AGRICULTURE, FOOD JUSTICE, AND ANCIENT JEWISH WISDOM.</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>3</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>1</b>
	<b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a)	<b>5</b>	<b>24</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>1560</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 38	<b>7b</b>	<b>0.</b>
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>1,079,666.</b>	<b>1,378,831.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>140,844.</b>	<b>202,777.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>0.</b>	<b>0.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>0.</b>	<b>0.</b>
		<b>1,220,510.</b>	<b>1,581,608.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>43,907.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>798,487.</b>	<b>1,105,565.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>91,599.</b>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>423,392.</b>	<b>361,149.</b>
<b>Net Assets or Fund Balances</b>	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>1,221,879.</b>	<b>1,510,621.</b>
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>-1,369.</b>	<b>70,987.</b>
	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>222,811.</b>	<b>324,875.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>92,188.</b>	<b>123,265.</b>
		<b>130,623.</b>	<b>201,610.</b>

**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.

<b>Sign Here</b>	Signature of officer		Date	
	<b>CHARLENE SEIDLE, CHAIR</b>			
Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶ <b>ALDRICH CPAS AND ADVISORS, LLP</b>		<b>08/13/20</b>	PTIN
	Firm's address ▶ <b>7676 HAZARD CENTER DRIVE, STE 1300</b>		Firm's EIN ▶	
	<b>SAN DIEGO, CA 92108</b>		Phone no. (619) <b>810-4940</b>	

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

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

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

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

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

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

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

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

**4a** (Code: ) (Expenses \$ 510,049. including grants of \$ 43,907. ) (Revenue \$ 131,582. )  
INCREASING ACCESS TO FRESH ORGANIC PRODUCE THROUGH SUSTAINABLE  
AGRICULTURE: COASTAL ROOTS FARM MANAGES 17 ACRES OF FARMLAND,  
CONSISTING OF 2.5 ACRES OF VEGETABLE PRODUCTION FIELDS, AN EDUCATION  
FARM & GARDEN, A LARGE-SCALE COMPOST OPERATION, THREE CHICKEN FLOCKS,  
AND AN 8.5-ACRE AGROFORESTRY "FOOD FOREST." UTILIZING REGENERATIVE AND  
SUSTAINABLE AGRICULTURAL PRACTICES, WE RESTORE TOP SOILS AND ENRICH  
SOIL FERTILITY, IMPROVE WATERSHEDS AND CONSERVE WATER, ENHANCE  
ECOSYSTEMS AND INCREASE BIODIVERSITY, SEQUESTER CARBON TO FIGHT GLOBAL  
WARMING, DIVERT ORGANIC WASTE FROM THE LANDFILL, AND COMPOST WASTE TO  
BUILD MORE RICH SOIL AND OFFSET THOUSANDS OF METRIC TONS OF CO2  
EMISSIONS FROM THE ATMOSPHERE.

**4b** (Code: ) (Expenses \$ 139,860. including grants of \$ ) (Revenue \$ 71,195. )  
INCREASING ACCESS TO HANDS-ON FARM-BASED ENVIRONMENTAL EDUCATION  
EXPERIENCES WE PROVIDE YOUTH AND ADULTS WITH UNIQUE, DIVERSE AND  
INCLUSIVE FARM-BASED EDUCATIONAL OPPORTUNITIES THAT CONNECT OUR  
COMMUNITY WITH THE LAND, FOOD, AND ONE ANOTHER. OUR FARM PROVIDES A  
UNIQUE PLATFORM FOR FARM-BASED ENVIRONMENTAL EDUCATION TO IMPROVE  
COMMUNITY HEALTH AND INCREASE AWARENESS, INVOLVEMENT, AND PASSION FOR  
NATURE, ENVIRONMENTAL STEWARDSHIP, AND FOOD SYSTEMS. WE HOST WEEKLY  
HANDS-ON VOLUNTEER OPPORTUNITIES, EDUCATIONAL WORKSHOPS, FARM TOURS,  
FARM CAMPS, AND SCHOOL AND GROUP VISITS BASED ON STEM-ALIGNED  
CURRICULUM FOR STUDENTS IN PRE-K THROUGH 12TH GRADE.

**4c** (Code: ) (Expenses \$ 434,489. including grants of \$ ) (Revenue \$ )  
CULTIVATING JEWISH LIFE THROUGH AGRICULTURE: COASTAL ROOTS FARM IS A  
JEWISH COMMUNITY FARM THAT INTEGRATES FARMING, GARDENING, AND FOOD AS A  
WAY TO TEACH ABOUT JEWISH TRADITION AND HERITAGE, BUILD JEWISH IDENTITY  
AND COMMUNITY, AND MAKE THE WORLD A MORE JUST AND SUSTAINABLE PLACE. WE  
ARE A LIVING JEWISH FARM, MAKING PRACTICES THAT ARE THOUSANDS OF YEARS  
OLD RELEVANT LESSONS FOR TODAY. THESE PRACTICES INFORM HOW WE GROW  
PRODUCE, SHARE BELONGINGS, TREAT NEIGHBORS, OBSERVE THE PASSING OF  
TIME, CELEBRATE AND IMPROVE, CARE FOR PLANTS AND ANIMALS, AND CREATE A  
VIBRANT, WELCOMING COMMUNITY. ALL OF THIS MAKES COASTAL ROOTS FARM A  
JEWISH FARM FOR EVERYONE.

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

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

**4e** Total program service expenses **1,084,398.**Form **990** (2018)

# Coastal Roots Farm

Financial Statements

Year Ended September 30, 2019



**COASTAL ROOTS FARM**  
**Financial Statements**  
Year Ended September 30, 2019

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Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

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Aldrich CPAs + Advisors LLP  
7676 Hazard Drive, #1300  
San Diego, California 92108

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Coastal Roots Farm

### Report on the Financial Statements

We have audited the accompanying financial statements of Coastal Roots Farm (a nonprofit organization), which are comprised of the statement of financial position as of September 30, 2019, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coastal Roots Farm as of September 30, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis-of-Matter Regarding a Change in Accounting Principle

As discussed in Note 1 to the financial statements, Coastal Roots Farm adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

*Aldrich CPAs + Advisors LLP*

San Diego, California  
April 10, 2020

**COASTAL ROOTS FARM**  
**Statement of Financial Position**  
September 30, 2019

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**ASSETS**

Current Assets:

Cash	\$	103,808
Accounts receivable		20,695
Prepaid expenses		<u>10,964</u>

Total Current Assets 135,467

Property and Equipment, net of accumulated depreciation 189,408

Total Assets \$ 324,875

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts payable	\$	41,337
Accrued expenses		48,216
Deferred revenue		<u>33,712</u>

Total Current Liabilities 123,265

Net Assets:

Without donor restriction	160,676
With donor restriction	<u>40,934</u>

Total Net Assets 201,610

Total Liabilities and Net Assets \$ 324,875



**COASTAL ROOTS FARM**  
**Statement of Activities**  
Year Ended September 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support:			
Contributions	\$ 1,065,255	\$ 181,158	\$ 1,246,413
In-kind contributions	346,765	-	346,765
Farm income	158,870	-	158,870
Fundraising	110,102	-	110,102
Net assets released from restrictions	155,287	(155,287)	-
Total Revenue and Support	1,836,279	25,871	1,862,150
Expenses:			
Program services:			
Production	508,226	-	508,226
Education	101,615	-	101,615
Other programs	476,574	-	476,574
Total Program Services	1,086,415	-	1,086,415
Supporting services:			
Management and general	500,070	-	500,070
Fundraising	204,678	-	204,678
Total Expenses	1,791,163	-	1,791,163
Change in Net Assets	45,116	25,871	70,987
Net Assets, beginning	115,560	15,063	130,623
Net Assets, ending	\$ 160,676	\$ 40,934	\$ 201,610

**COASTAL ROOTS FARM**  
**Statement of Functional Expenses**  
Year Ended September 30, 2019

	Program Services			Supporting Services		Total
	Production	Education	Other Programs	Management and General	Fundraising	
Payroll and related expenses	\$ 326,294	\$ 97,242	\$ 291,729	\$ 233,658	\$ 163,464	\$ 1,112,387
Consulting	10,516	-	60,639	192,224	24,396	287,775
In-kind rent	80,329	-	80,329	-	-	160,658
Supplies	24,664	2,623	23,815	7,081	10,005	68,188
Depreciation	42,180	-	-	-	-	42,180
Other	1,729	1,157	11,689	19,458	2,865	36,898
Insurance	-	-	-	26,096	-	26,096
Repairs and maintenance	19,326	51	3,098	692	58	23,225
System support	-	-	-	11,404	-	11,404
Meal and entertainment	-	-	980	1,430	3,105	5,515
Office	3,188	-	987	31	-	4,206
Professional fees	-	-	1,179	1,486	600	3,265
Conference	-	-	-	3,074	185	3,259
Taxes	-	-	-	2,149	-	2,149
Marketing	-	542	586	579	-	1,707
Community events	-	-	571	500	-	1,071
Cost of goods sold	-	-	972	-	-	972
Travel	-	-	-	208	-	208
Total Expenses	\$ <u>508,226</u>	\$ <u>101,615</u>	\$ <u>476,574</u>	\$ <u>500,070</u>	\$ <u>204,678</u>	\$ <u>1,791,163</u>

See accompanying notes to financial statements.

**COASTAL ROOTS FARM**  
**Statement of Cash Flows**  
Year Ended September 30, 2019

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Cash Flows From Operating Activities:	
Change in net assets	\$ 70,987
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	42,180
Loss on disposal of property and equipment	4,694
Non-cash property and equipment additions	(22,316)
Changes in operating assets and liabilities:	
Accounts receivable	(7,458)
Prepaid expenses	(4,979)
Accounts payable	(11,128)
Accrued expenses	8,493
Deferred revenue	33,712
	<hr/>
Net Cash Provided by Operating Activities	114,185
Cash Flows Used by Investing Activities:	
Purchases of property and equipment	<hr/> (71,422)
Net Change in Cash	42,763
Cash, beginning	<hr/> 61,045
Cash, ending	\$ <hr/> <hr/> 103,808

**COASTAL ROOTS FARM**  
**Notes to Financial Statements**  
**Year Ended September 30, 2019**

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**Note 1 – Organization and Summary of Significant Accounting Policies**

Nature of Activities

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

New Accounting Pronouncement

For the year ended September 30, 2019, the Farm adopted ASU No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions until the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets with donor restrictions, liquidity, and expenses by both their natural and functional classification. The Farm has adjusted the presentation of these statements accordingly.

Financial Statement Presentation

The financial statements of the Farm have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Farm to report information regarding its financial position and activities according to the following net asset classification:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Farm. These net assets may be used at the discretion of the Farm's management.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Farm or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Farm did not have any donor restrictions that were perpetual in nature for the year ended September 30, 2019.

Use of Estimates

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

Accounts Receivable

The accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at the end of the period, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary at September 30, 2019 because management believes all amounts are collectible.

Property and Equipment

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

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

Revenue Recognition

Contributions received are recorded as increases in without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor restricted contributions are reported as increases 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.

Fair Value Measurements

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

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

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

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

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

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

The carrying value of cash, receivables, and payables approximates fair value as of September 30, 2019 due to the relative short maturities of these instruments.

Income Taxes

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

The Farm follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Farm recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Farm has no uncertain tax positions at September 30, 2019 and therefore no amounts have been accrued.

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



**COASTAL ROOTS FARM**  
**Notes to Financial Statements**  
**Year Ended September 30, 2019**

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

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Payroll and related expenses and in-kind consulting services are allocated based off of time and effort. All other expenses are broken out by accounts and can be directly charged to the appropriate function based on actual expenses.

Future Accounting Standards

The Financial Accounting Standards Board (FASB) has issued three substantial ASUs which will become effective in future years.

The amendments in ASU 2014-09 Revenue from Contracts with Customers and subsequent updates require that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Adoption of the new standard is to be applied on a full retrospective basis or modified retrospective basis. The Farm is in the process of assessing how this new ASU and subsequent updates will affect the Farm's reporting of revenues. This assessment includes determining the effect of the new standard on the Farm's financial statements, accounting systems, business processes, and internal controls. Based on its assessment to date, the Farm does not currently expect adoption to have a material effect on their revenues. Adoption of ASU 2014-09 will also require enhanced financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This update is effective for fiscal years beginning after December 15, 2018.

In June 2018, ASU 2018-08 Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made was issued to provide guidance on the accounting and reporting of grants and contributions. This guidance will assist nonprofit organizations in evaluating if a transaction is an exchange transaction or a contribution. Clarification was also added to determine if a contribution is conditional or unconditional and how each of these should be recorded. This update is effective for transactions in which the entity serves as the resource recipient for fiscal years beginning after December 15, 2018. The Farm is evaluating the effect that the provisions of ASU 2018-08 will have on its financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02 *Leases*. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position a liability to make lease payments ("lease liability") and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2020. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, although there are optional practical expedients that entities may elect to apply. The Farm is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events

The Farm has evaluated subsequent events through April 10, 2020, which is the date the financial statements were available to be issued (Note 7).

**Note 2 – Concentrations**

The Farm maintains cash accounts at various financial institutions. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to \$250,000.

**COASTAL ROOTS FARM**  
**Notes to Financial Statements**  
Year Ended September 30, 2019

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**Note 3 – Liquidity and Availability**

The following reflects the Farm's financial assets as of the balance sheet date, reduced by amounts not available for general use contractual or donor-imposed restriction within one year of the balance sheet date.

Cash and cash equivalents	\$	103,808
Accounts receivable, net of allowance for doubtful accounts		<u>20,695</u>
Total Financial Assets		124,503
Less amounts not available to be used within one year for general purposes:		
Donor restricted net assets		<u>(40,934)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>83,569</u></u>

The Farm has certain donor-restricted assets limited to use for programs or specific purpose which are ongoing, major and central to its annual operations which are available to meet cash needs for general expenditures for those programs and purposes within one year in the normal course of operations. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Farm considers all expenditures related to its ongoing activities to be general expenditures.

The Farm manages its liquidity and reserves through maintaining and reviewing budget to actual amounts and forecasted cash flows on a regular basis. The Farm also within a prudent range of financial soundness and stability and constantly maintains adequate liquid assets to fund near term operating needs.

**Note 4 – Property and Equipment**

Property and equipment as of September 30, 2019 consist of the following:

Machinery and equipment	\$	234,061
Other		<u>31,609</u>
		265,670
Less accumulated depreciation		<u>76,262</u>
	\$	<u><u>189,408</u></u>

**Note 5- Restrictions on Net Assets**

Net assets with donor restrictions consist of the following at September 30, 2019:

Produce donation	\$	24,596
Education programs		6,485
Farm supplies		5,000
Farm production		2,367
Promotional material		2,000
Distribution program		<u>486</u>
	\$	<u><u>40,934</u></u>

**COASTAL ROOTS FARM**  
**Notes to Financial Statements**  
**Year Ended September 30, 2019**

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**Note 5- Restrictions on Net Assets, continued**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

Distribution program	\$	35,056
Produce donation program		22,454
Youth education programs		16,945
Kubota		16,543
Other		12,434
School class visits		12,500
Mobile sink units		10,063
Food justice & education		10,000
Educational scholarships		10,000
Farm production		5,105
Mulching and woodchips		4,187
	\$	<u>155,287</u>

**Note 6 – Related Party Transactions**

During the year ended September 30, 2019, the Farm received approximately \$963,000 from Leichtag, its primary funder, in cash, in-kind administrative support, and in-kind rent.

**Note 7 – Subsequent Events**

COVID-19

Due to national and world-wide disruptions caused by COVID-19 in 2020, the Farm may be adversely impacted, including its work-force and operations related to providing program services. The Farm is making adjustments to its operations to compensate for disruptions on an ongoing basis. At this time, any financial impact of potential COVID-19 related disruptions is not known

Paycheck Protection Program Loan

The Farm was notified on April 7, 2020 by City National Bank that its application for a loan of \$207,328 under the Paycheck Protection Program (PPP) was approved by the Small Business Administration (SBA). The loan has not funded as of April 10, 2020.



# 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.

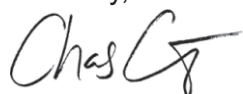
For more than a decade Art Animates Life has offered professional quality short PSAs and promos for vital North County charities and nonprofits and extremely low -- or zero -- tuition fees for enrollees in our Young Filmmaker Series. For North County Players theater productions, we offer greatly-reduced 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

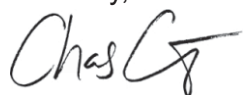
**Peter Bunn**

(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**

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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)	_____

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In-kind contributions	0	_____
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San Marcos Art and Cultural Grant request	1700	_____
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TOTAL INCOME:	7400	_____
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### 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	_____
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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](mailto: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](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](http://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](http://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

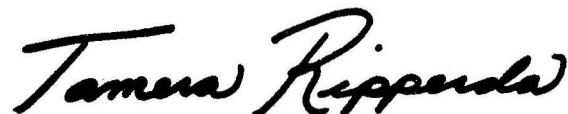
Dear Applicant:

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



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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## Business Entities (BE)

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## 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	<a href="#">ART ANIMATES LIFE</a>	CALIFORNIA	CHARLES CARATTI

Showing 1 to 1 of 1 entities

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[New Search](#)