



# Agenda

## MEETING OF THE SAN MARCOS COMMUNITY FOUNDATION

TUESDAY, FEBRUARY 18, 2014 – 6:00 P.M.  
REGULAR SAN MARCOS COMMUNITY FOUNDATION BOARD MEETING  
COUNCIL CHAMBER/1 CIVIC CENTER DRIVE, SAN MARCOS, CA 92069

Cell Phones: As a courtesy to others, please silence your cell phone or pager during the meeting and engage in conversations outside the Council Chambers.

Americans with Disabilities Act: If you need special assistance to participate in this meeting, please contact the Board Secretary at (760) 744-1050, ext. 3121. 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.

Public Comment: If you wish to address the Board on any agenda item, please complete a "Request to Speak" form. Forms are located at the rear of the Council Chambers. Be sure to indicate which item number you wish to address. Comments are limited to FIVE minutes.

The Oral Communication segment of the agenda is for the purpose of allowing the public to address the Board on any matter NOT listed on the agenda. The Board is prohibited by state law from taking action on items NOT listed on the Agenda. However, they may refer the matter to staff for a future report and recommendation. If you wish to speak under "Oral Communications," please complete a "Request to Speak" form as noted above.

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.

### AGENDA

CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
ROLL CALL

#### 1. PRESIDENT'S REPORT

Recommendation: **NOTE & FILE**

#### OLD BUSINESS

#### 2. SMCF GRANT FUNDING COMMITTEE RECOMMENDATION

Winter Quarter Funding Recommendation to the SMCF Board for Deliberation.

- (a) Winter Quarter Funding Recommendation Worksheet
- (b) Regular/Mini Grant Funding History Fiscal Year 2013/2014
- (c) SMCF Resolution No. 2014-121

*Recommendation:* **CONSIDER/APPROVE**

**NEW BUSINESS**

**3. SMCF RESOLUTION 2014-122: FORMALIZING THE SAN MARCOS COMMUNITY FOUNDATION ADVISORY COMMITTEE**

*Recommendation:* **CONSIDER/APPROVE**

**4. FOLLOW UP ON ADVISORY COMMITTEE RECOMMENDATIONS**

- (a) Public Art in Lieu Fees
- (b) Art in Public Places Projects
- (c) Taste of Non-Profits Event
- (d) Special Recognition Event in Conjunction with San Marcos Service Organizations

*Recommendation:* **CONSIDER/POSSIBLE ACTION**

**CONSENT CALENDAR**

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

*Recommendation:* **WAIVE**

**6. APPROVAL OF MINUTES** SMCF Board Meeting November 19, 2013

*Recommendation:* **CONSIDER/APPROVE**

**7. REPORT: FUND STATEMENT and ASSETS AVAILABLE FOR DISTRIBUTION**

*Recommendation:* **NOTE & FILE**

**8. REPORT: FY13/14 SUMMARY OF TRANSACTIONS**

*Recommendation:* **NOTE & FILE**

**9. 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 recommendations.

**ITEMS FOR THE GOOD OF THE ORDER**

**10. MISCELLANEOUS**

- (a) Spring Quarter Grant Funding Committee Members and Meeting Time
- (b) 2014 Arts and Cultural Grants
- (c) Updated Grant and Fundraising Guidelines and Procedures Manual
- (d) Updated Commissioner's Handbook

**11. ADJOURNMENT**

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

**AFFIDAVIT OF POSTING**

I, Wendy Kaserman, hereby certify that I caused the posting of this Agenda on the bulletin board located at the north entrance to City Hall on Thursday, February 13, 2014 at 4:30 pm.

DATE: FEBRUARY 13, 2014

A handwritten signature in cursive script that reads "Wendy Kase" followed by a long horizontal flourish.

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Wendy Kaserman, Recording Secretary - SMCF

**SAN MARCOS COMMUNITY FOUNDATION**

**Winter Quarter 2014 Funding Recommendation Worksheet**

**Regular and One Mini Grant**

**Available for Distribution:** \$8,057-\$14,027

*Funds for FY13-14 Distribution Based on 6/30/2013 Asset Balance: Between \$47,759 to \$59,699*

*Total FY13-14 Distributions Year to Date= \$31,643.46*

*Remaining Funds for Distribution in FY13-14: \$16,115 - \$28,055*

<b>Applicant</b>	<b>Grant Type</b>	<b>Summary of Request</b>	<b>Requested</b>	<b>GFC Recommendation</b>
San Marcos Unified School District	Regular	To assist with the costs of developing, implementing and conducting an orchestral music program in the San Marcos Unified School District Title I Elementary Schools. Serves 60 San Marcos residents.	\$5,000	<b>\$5,000</b>
Solutions for Change	Regular	To assist with the costs of assist with the costs of the Employment Related Training (ERT) Program which is the first of a four phase workforce development component in the Solutions University curriculum. Serves 17 San	\$ 10,000.00	<b>\$7,000</b>

		Marcos residents		
Tender Loving Canines Assistance Dogs, Inc.	Regular	To assist with costs to acquire, care for, and train dogs that will assist children on the autism spectrum, as well as veterans with Post Traumatic Stress Disorder and traumatic brain injuries and/or other disabilities. Application does not specify how many San Marcos residents would be served.	\$ 5,930	<b>\$2,000</b>
Make-A-Wish Foundation of San Diego	Mini	To assist with the costs of fulfilling wishes for children between 2 ½ and 18 with life-threatening medical conditions. Application does not specify how many San Marcos residents would benefit from the program.	\$1,500	<b>No recommendation made-BOARD MEMBER WASCO following up with additional questions. Depending upon response, may be discussed at the Board meeting.</b>
			<b>Total Grants Requested: \$22,430</b>	<b>Total Recommended Awards: \$14,000</b>

**SAN MARCOS COMMUNITY FOUNDATION**  
**Grants Awarded FY13-14 (As of 2/12/2014)**

Organization	Request	Type	Award	Mtg. Date	Rptg. Date	Report Received	Project Summary
Mission Hills High School	\$4,000-\$6,000	R	<b>\$3,555.00</b>	8/20/2013	2/20/2014		To help purchase the equipment needed to complete the curriculum for a full year jewelry and metals course. Serves approximately 200 Mission Hills High School students.
North County Health Services	\$7,579.14	R	<b>\$3,780.00</b>	8/20/2013	2/20/2014	Reporting Documentation Received 2/5/2014	To purchase 2 portable vital signs machines to be used in the San Marcos Health Center's 24 exam rooms. The organization has served just over 18,000 San Marcos residents since 2011.
Casa de Amparo	\$5,000.00	R	<b>\$2,000.00</b>	8/20/2013	2/20/2014		To assist with the organization's Residential Services Program (RSP), specifically costs associated with transporting residents (ages 6-21) to recreational, cultural events, medical and dental appointments, as well as admission costs for recreational and cultural events. Serves 75 San Marcos residents.
Boys and Girls Club of San Marcos	\$10,000.00	R	<b>\$4,339.00</b>	8/20/2013	2/20/2014		To expand the after school Academic Success program at San Marcos Elementary School and Alvin Dunn Elementary School. Will serve 100 San Marcos residents.
Meals-on-Wheels Greater San Diego, Inc	\$1,500.00	M	<b>\$1,500.00</b>	7/10/2013	1/10/2014	Reporting Documentation Received 1/10/2014	To help purchase, prepare, and deliver healthy meals to homebound San Marcos seniors. Serves 106 San Marcos residents.
TERI, Inc	\$1,500.00	M	<b>\$1,500.00</b>	7/10/2013	1/10/2014		To support application to an Institutional Research Board for research to identify the correlation between brain patterns and severity of autism. Will serve 72 San Marcos residents.
<b>Total Grants Awarded Summer Quarter</b> *Excludes Grants Awarded in Summer Quarter 2013 that fell in Previous Fiscal Year <b>\$16,674.00</b>							
<b>Fall Quarter</b>							
Alvin Dunn Elementary School	\$1,469.46	M	<b>\$1,469.46</b>	10/9/2013	4/9/2014		To purchase accessories for the technology classroom at Alvin Dunn Elementary School. Accessories will be used to help students with State standardized testing which is transitioning to an online format. The accessories will also be used to improve sound quality for lessons on tablets, as well as improving the instructor's ability to communicate information to students. Serves approximately 735 San Marcos residents (students)
Meals-on-Wheels Greater San Diego, Inc	\$8,000.00	R	<b>\$7,000.00</b>	11/19/2013	5/19/2014		To assist with the costs of rent for one year (\$10,200) at the organization's North County Service Center in San Marcos. Receiving assistance with rent will allow the organization to spend more funds on meals for homebound seniors in San Marcos. Serves 124 San Marcos residents.

Just in Time for Foster Youth	\$5,000.00	R	\$5,000.00	11/19/2013	5/19/2014		To purchase laptop computers for ten college bound former foster youth enrolled at California State University San Marcos. Request will assist with the organization's goal to help the students beat national averages and graduate college. Serves 10 San Marcos residents
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**Total Grants Awarded Fall Quarter**
**\$13,469.46**

Winter Quarter

Fan of the Feather	\$1,500.00	M	\$1,500.00	2/12/2014	8/12/2014		Request for funding in the amount of \$1,500 for the Stabilization Program for Homeless Veterans to purchase three computers for the facility's internet café and the staff office. Computers will be available for client use as well as use by the organization's program manager. Benefits 20 San Marcos residents.
Make-A-Wish Foundation of San Diego	\$1,500.00	M					To assist with the costs of fulfilling wishes for children between 2 1/2 and 18 with life-threatening medical conditions. Application does not specify how many San Marcos residents would benefit from the program.
San Marcos Unified School District	\$5,000.00	R					To assist with the costs of developing, implementing and conducting an orchestral music program in the San Marcos Unified School District Title 1 Elementary Schools. Serves 60 San Marcos residents.
Solutions for Change	\$10,000.00	R					To assist with the costs of the Employment Related Training Program which is the first of a four phase workforce development component in the Solutions University Curriculum. Serves 17 San Marcos residents.
Tender Loving Canines Assistance Dogs, Inc.	\$5,930.00	R					To assist with the costs to acquire, care for, and train dogs that will assist children on the autism spectrum, as well as veterans with Post Traumatic Stress Disorder and Traumatic Stress Disorder and traumatic brain injuries and/or other disabilities. Application does not specify how many residents would be served.

**Total Grants Winter Quarter**
**\$1,500.00**
**Grants Awarded FY2013-2014 YTD**
**\$31,643.46**
**Funds Available for Distribution Fiscal Year 2013-2014**
**4%**
**\$47,759**
*Based upon assets available on 6/30/2013 of \$1,193,971.62*
**5%**
**\$59,699**
**Targeted Awards Per Quarter for Fiscal Year 2013-2014**
**4%**
**\$11,940**
**5%**
**\$14,925**





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

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

Project Name: SMUSD Orchestral Date Submitted: Music Program 12/30/13	Total # of people served: 60 students Total # of San Marcos residents served: 60	Amount Requested: \$ 5,000
Non-Profit Organization Name and Address, Website San Marcos Unified School District 255 Pico Avenue, Suite 250 San Marcos, CA 92069 www.smusd.org	Contact Person – Name, Title & Phone, email Carole Beeson, Program Director cbeeson21@gmail.com 858-922-7401	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Develop, implement and conduct an orchestral music program in the SMUSD Title I Elementary Schools modeled after the "El Sistema" program developed in Venezuela. Please see the enclosed Program Plan Summary for details. Funds are requested for instructors, instruments and program management.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The community benefits from the students learning to play music in an ensemble environment which promotes 21st century skills that transcend the music program, i.e., collaboration, problem solving, creativity. Please see the enclosed Program Plan Summary for details.</p>		
<p>Please attach the following items.</p> <p><b><u>Both Mini-Grant &amp; Regular:</u></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 (95-2939365)</li> <li>4. Board of Directors listing with affiliations</li> <li>5. Signature of President or Authorized Officer on Application- <i>If using a fiscal sponsor, the signature must come from the President or an Authorized Officer of that organization.</i></li> </ol> <p><b>6. Regular Grants Only:</b></p> <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. Optional: letters of support</li> </ol>		<p>Expected date project will begin/end:</p> <p>Date by which funds will be expended:</p> <p>Signature of President or Authorized Officer</p> <p><i>Carole Beeson</i> 12/30/13 Name, Title Date <i>Program 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:wkaserman@san-marcos.net">wkaserman@san-marcos.net</a></p>

**SAN MARCOS COMMUNITY FOUNDATION**  
**Budget Worksheet**

Provide an itemized list of expenses for this project:

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

Please see Program Plan	\$	
Summary spreadsheet	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

**Total budget for this PROJECT:** \$ 30,942

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

Is this a challenge grant?

Could it be? yes

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

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

<u>\$ 40,000</u>	(Name of source) <u>Sunwest Bank</u>	** <u>P</u>
<u>\$ TBD</u>	(Name of source) <u>Staples Foundation</u>	** <u>P</u>
<u>\$ matching grant</u>	(Name of source) <u>Classics for Kids</u>	** <u>P</u>
<u>\$ 2,000</u>	(Name of source) <u>Nordson Foundation</u>	** <u>P</u>
<u>Loan of string instruments</u>	<u>San Diego Youth Symphony C</u>	

**PROGRAM PLAN SUMMARY**

**ORCHESTRAL MUSIC PROGRAM**

**SAN MARCOS UNIFIED SCHOOL DISTRICT**

**TITLE I K-5**

November 2013

#### GOALS:

- Develop, implement and conduct an orchestral music program in the SMUSD Title I Elementary Schools modeled after the “El Sistema” program developed in Venezuela.
- Create a transformational experience for students in low socio-economic circumstances at no cost to the students. Based on a foundation of music education guide and teach students in a collaborative team environment resulting in improved self-confidence, self-esteem, academic performance and social behavior.
- Develop partnerships within the community – public and private.

#### BACKGROUND:

- El Sistema started 34 years ago in Caracas, Venezuela with 11 children gathered together to play music – it now teaches 300,000 of Venezuela’s poorest children with dramatic results, both for the children and the community.

#### BENEFITS:

- Student – learning and playing music in an ensemble environment teaches cooperation, collaboration and discipline. These behaviors translate into improved academic performance and improved social behavior. An equally important benefit is family engagement including booster clubs, liaison with other parents and deeper engagement in their students; education.
- Community – Performances by the students, both at school and in the community, strengthen neighborhoods and strengthen bonds between students, parents and other member of the community. Additionally, community service with high school and college students as coaches helps them fulfill their “community services” requirements.

#### PROGRAM STRUCTURE:

- Phase I – February 2014 – June 2015. Establish an orchestral music program at Alvin Dunn, Joli Anne Leichtag, and San Marcos Elementary Academy. Begin with 20 3<sup>rd</sup> graders at each school and teach three days a week (Tues, Wed, Thu) for two hours after school. Add 4<sup>th</sup> grade in Sept 2014. Provide one instructor for each 20 students. Program to include student performances at school and in the community. Musical, academic, and behavioral performance will be measured.
- Phase 2 – September 2015 – June 2016. Add other SMUSD Title I schools
- Phase 3 – Schedule to be determined – add orchestral program to middle and high school curriculum.

#### MANAGEMENT/STAFFING:

- The program will be conducted within the Policies and Procedures of the SMUSD and the individual schools.
- The management and staff will consist of a Program Director, Instructors, and volunteer Coaches.
- Program Director – Coordinate, direct and oversee all activities required to develop and implement the program, including instructor recruitment/selection, marketing, student/instructor administration and liaison with all involved parties.
- Instructors – Develop music curriculum, instruct students and coach attitude/behavior.
- Coaches – Assist instructors before, during and after classes and performances as directed by the instructor.

#### FINANCIAL PROJECTIONS:

- Phase I only – 3 schools/20 students per school – 2/14-6/14 – 3 instructors  
3 schools/40 students per school – 9/14-6/15 – 6 instructors
- Instruments – 60 instruments needed for the 2/14 – 6/14 startup – 51 violins and 9 cellos plus music stands and method books; 60 additional instruments will be needed for the 9/14 – 6/15 period – 51 additional violins and 9 cellos.
- Estimate of Cost – See attached spreadsheet for the 2/14-6/14 period.

**Column  
Expenses**

**2014 SMUSD ORCHESTRAL MUSIC PROGRAM**

	Jan	Feb	Mar	Apr	May	June	Total
Violins	\$21,012						\$21,012
Cellos	9,000						9,000
Music Racks/Stands	3,630						3,630
Method Books	600						600
Repairs			100	100	100	100	500
Instructors			2,040	2,040	2,040	2,040	10,200
Program Director	1,000	1,000	1,000	1,000	1,000	1,000	6,000
<b>TOTAL/SIX MONTHS</b>	<b>35,242</b>	<b>3,140</b>	<b>3,140</b>	<b>3,140</b>	<b>3,140</b>	<b>3,140</b>	<b>50,942</b>

Note: The projected estimate of cost for the 2014 (September) to 2015 (June) is \$84,642. This is based on doubling the number of students in the three schools to 40 each.

December 30, 2013

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

Dear Colleen,

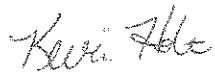
I am writing this letter in support of the San Marcos Unified School District's goal to develop, implement and conduct a youth orchestral music program in San Marcos' disadvantaged elementary schools modeled after "El Sistema", which originated in Venezuela.

At the heart of El Sistema is a simple idea: using the classical music ensemble experience to promote positive social and academic change in youth.

In order to make this program possible, we will need the resources to fund music instructors and purchase string instruments, music stands, and method books.

It is my hope that our community, businesses and foundations will stand alongside San Marcos Unified School District and assist us in providing this transformational program to our most disadvantaged students.

Sincerely,

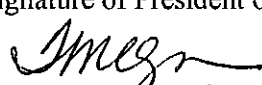


Kevin Holt, Ed.D  
Superintendent, San Marcos Unified School District



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

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

<b>Project Name:</b> Employment Related Training (ERT) Program <b>Date Submitted:</b>	<b>Total # of people served:</b> 200 <b>Total # of San Marcos residents served:</b> 17	<b>Amount Requested:</b> \$ 10,000
<b>Non-Profit Organization Name and Address, Website</b> Solutions for Change 722 West California Ave. Vista, CA 92083 www.SolutionsforChange.org		<b>Contact Person – Name, Title &amp; Phone, email</b> Cynthia Fenimore Director of Social Enterprises (760) 295-1437 CFenimore@SolutionsforChange.org
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>The Employment-Related Training (ERT) Program is a foundational employment experience built to support the needs of participant families residing in Solutions housing while completing the 1,000-day Solutions University curriculum. Solutions' ERT is a skill development program that improves reliability and accountability through real job experience. Participants work under onsite supervision at multiple worksites and task-specific locations that train and equip them to enter the workforce successfully with independence and professionalism. ERT is part of Solutions' commitment to solving family homelessness by eliminating barriers to independence for families who commit to an intensive program of positive change. ERT provides working residents with an environment and expectations representative of the workforce standards found in mainstream employment throughout North County.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>The services described in this request address the City's priorities by providing employment services and job training to adults. Although funding is not sought through this proposal for services to children, all adults served through the program will have children residing in Solutions' facilities and consistent with the city's priorities, all children will be provided day care, after-school care, cultural enrichment, recreation, health care/immunization or self-improvement appropriate to their age and education level.</p> <p>Employment related training (ERT) is the initial phase of a four-phase Workforce Development component in the Solutions University curriculum. ERT provides soft skills training for all residents within a re-learning environment that requires them to show up prepared and to follow directions on the job. ERT teaches the basic ingredients of being a good employee regardless of what field residents ultimately pursue as a career. Monday through Friday, residents participate in seven hours of assigned activities at one of Solutions' locations. Specific work may include childcare cooperative participation, property maintenance, support at Books for Real Change, labor at Solutions Farms, front desk reception, or residential aide support. Written job descriptions and directions are provided for all training activities. Residents are required to show up on time, dressed appropriately, properly groomed and ready to begin work. They are taught the specifics of the job they will be doing for the day and must follow directions, complete tasks and report back to their supervisor. Supervisors produce daily written evaluations as part of a continuous process of feedback and engagement that allows participants to build upon strengths and address weaknesses.</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. Signature of President or Authorized Officer on Application- <i>If using a fiscal sponsor, the signature must come from the President or an Authorized Officer of that organization.</i></li></ol> <p><b>6. Regular Grants Only:</b></p> <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. Optional: letters of support</li></ol>		<p><b>Expected date project will begin/end:</b> 7/1/14-6/30/15</p> <p><b>Date by which funds will be expended:</b> 6/30/15</p> <p><b>Signature of President or Authorized Officer</b></p> <p style="text-align: center;"> <b>Tammy Megison, VP</b> <u>Chris Megison, President &amp; CEO</u> <b>Name, Title</b></p> <p style="text-align: right;"><b>12/31/13</b> <b>Date</b></p> <p><b>Submit Via Mail, In Person or Via Email to:</b> San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): <a href="mailto:wkaserman@san-marcos.net">wkaserman@san-marcos.net</a></p>



**SAN MARCOS COMMUNITY FOUNDATION  
Budget Worksheet**

Wages and salaries	\$154,000
<i>Program Manager 1 FTE @ \$45,000</i>	
<i>Jobsite Supervisor 4 FTE @ \$21,000 each</i>	
<i>Resource Coordinator 1 FTE @ \$25,000</i>	
Personnel benefits @ 17%	\$26,180
Materials and supplies	\$7,500
Program expenses and evaluation	
Rent and utilities	
Insurance	
Mileage (100 miles/week x 48 weeks @ 55¢/mile)	\$2,640
<i>Transportation to &amp; from jobsites</i>	
Incentives and Special Events	\$5,000
Indirect costs	
<b>Total Budget for this PROJECT:</b>	<b><u>\$195,320</u></b>

**Grant Request Amount:** **\$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).**

\$90,000	Genentech Foundation	**	C
\$25,000	NBC San Diego 21 <sup>st</sup> Century Innovation	**	C
\$50,000	Donations and Contributions (2013-2014)	**	P
\$5,000	City of Carlsbad CDBG Funds	**	CD
\$10,000	City of Escondido CDBG Funds	**	CD
\$25,000	Union Bank Foundation	**	CD

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

DEPARTMENT OF THE TREASURY

Date: **APR 13 2004**

NORTH COUNTY SOLUTIONS FOR CHANGE  
INC  
890 E VISTA WAY  
VISTA, CA 92084

Employer Identification Number:  
33-0902617  
DLN:  
17053087749074  
Contact Person:  
THOMAS C KOESTER ID# 31116  
Contact Telephone Number:  
(877) 829-5500  
Public Charity Status:  
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated June 2000, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity during an advance ruling period.

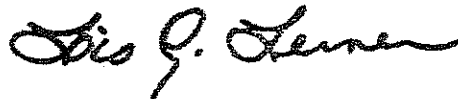
Based on our records and on the information you submitted, we are pleased to confirm that you are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

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

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Letter 1050 (DO/CG)



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## 2014 Board of Directors

### **Danny Ashcraft—Chairman**

CEO/President

Western CNC, Inc.

### **Gene Ford—Treasurer**

Retired, Bank Executive

### **Jerry Watson—Secretary**

Retired, Communication Specialist

### **Walter Kuchinsky**

Industrial Mechanic

Watkins Manufacturing Corporation

### **Sandra Shuda**

Vice President, Human Resources

Watkins Manufacturing Corporation

### **Chris Smith**

Director, Stewardship & Development

St. Thomas More Catholic Church

### **Duncan Wallace**

Owner

Kand Medical

**Solutions for Change**  
**Regular Grant Request to the San Marcos Community Foundation**  
**December 31, 2013**

Solutions for Change was founded in 1999 and has operated continuously since then serving the entire North County region including the City of San Marcos. Solutions is dedicated to permanently solving the problem of family homelessness in the belief that the only functional, satisfactory solution is a permanent one that does not simply recycle people between programs, or between homelessness and temporary reprieve from the streets.

From its founding, Solutions has developed a model for solving family homelessness that looks nothing like the “containment” approach to managing homelessness typical of past attempts. Traditional approaches to addressing homelessness often perpetuate dependence on support with no real focus on the change required to break out of the cycle of homelessness in which many families become trapped. A permanent solution requires a partnership between Solutions and those families willing to work their way out of homelessness, and a partnership with business, faith and government communities in effective innovations and outcomes.

Solutions for Change provides an array of services and supports that begin with intake, assessment, orientation and placement of homeless families. Families entering the 1,000-day Solutions University Program are housed at Solutions’ main campus and many of those families eventually move into one of Solutions’ permanent affordable housing complexes following graduation from the program. With support for parents and children alike, the Solutions curriculum is intensive and difficult, but families completing the 1,000-day program are armed with the skills, knowledge and resources they require to establish themselves as self-sufficient, stable members of the community.

The Solutions University program addresses the comprehensive needs of each entering family based upon staff assessments of each family’s needs and barriers to self-sufficiency. The program invests in the complete mental, physical, spiritual and financial health of all participants with training and development of personal and applied skills for adults and children alike. Families are housed in apartments of their own where they begin to rebuild their lives with the input and assistance of Solutions personnel who ensure progress toward case objectives and adherence to program standards and regulations. All children are enrolled in school and provided with before and after-school support to help address any educational gaps resulting from periods of homelessness. All adults are required to participate in daily individual and group activities addressing histories of substance abuse, domestic violence and other traumatic backgrounds. Adults also work daily in Solutions’ Workforce Development Program.

The Workforce Development Program includes four distinct phases of engagement: 1) Employment Related Training, 2) Employment Preparation Classes, 3) Employment Search and 4) Long-term Employment Retention. Through the current application to the San Marcos Community Foundation, Solutions seeks support for the first and most essential of these phases, Employment Related Training (ERT).

ERT is essential to the overall Workforce Development Program at Solutions first because it is the phase during which participants are oriented and trained in the soft skills vital for success in any job, and secondly because fulfilling the basic demands of ERT requires that participants commit themselves to a sustained schedule of consistent effort and personal accountability. The broad purpose of ERT is to provide participants with a re-learning environment in which they must suit up, show up and follow directions on the job. Those basic ingredients to success on the job, any job, are at the core of ERT and are reinforced explicitly and implicitly through the program's structure and daily activities. Every day, Monday through Friday, participants spend seven hours on activities at one of Solutions' locations performing various functions ranging from front desk reception to property maintenance. Child care for participants' children is provided through Solutions childcare cooperative, a service that allows all parents to participate fully in workforce development and other components of their case plans.

Over the past two years, ERT for many participants has grown to include participation in the hands-on work of Solutions Farms, a fully integrated aquaponics farming operation that is organic, environmentally green, and capable of producing thousands of pounds of produce and fish annually for local sale and consumption. Solutions Farms achieves multiple purposes through a multi-faceted operation, among which is the opportunity for ERT participants to engage in the daily management and operation of a technologically advanced farming system. This hands-on experience provides internal training and skill-building opportunities that prepare participants for today's jobs and tomorrow's careers.

Written job descriptions and directions for all assigned duties at Solutions Farms and other worksites are on-hand for all training activities. Participants work under the direction of Solutions staff including the Director of Social Enterprises, Cynthia Fenimore. Cynthia, an MBA, supervises all planning, maintenance and day-to-day operations of Solutions' Workforce Development, in addition to her Social Enterprises responsibilities. Cynthia has been in her position for two years, managing all the functions involved in the ERT program – child care, property maintenance, Solutions Farms, Books for Real Change, and special project assignments. She is a past member of the Solutions for Change Board of Directors and has been involved in the design and implementation of some of the agency's most vital services.

Additional key staff supporting ERT participants include: Kelly DeLost, MA/MFT, Support Services Supervisor and Erick Asero, Workforce Development Supervisor. Kelly has been with Solutions for six years, prior to which she spent three years with Interfaith Community Services. Kelly is responsible for the core services of Solutions University. Erick has been with Solutions for just over one year. Eric is responsible for curriculum development, employment preparation and support. His past experience includes service with SANDAG, the Red Cross and Sweetwater School District.

Solutions for Change is grateful to the San Marcos Community Foundation for its past support and its consideration of this request. We welcome any inquiries and look forward to a successful, ongoing partnership benefitting families in need and all of San Marcos.

Form 990

OMB No. 1545-0047

## Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

2012

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.


<b>A</b> For the 2012 calendar year, or tax year beginning , 2012, and ending		<b>D</b> Employer identification number 33-0902617		
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> NORTH COUNTY SOLUTIONS FOR CHANGE, INC. 722 W CALIFORNIA AVENUE VISTA, CA 92083		<b>E</b> Telephone number (760) 941-6545	
			<b>G</b> Gross receipts \$ 3,072,718.	
			<b>F</b> Name and address of principal officer: SAME AS C ABOVE	
			<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list. (see instructions)	
<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(c)</b> Group exemption number ▶		
<b>J</b> Website: WWW.SOLUTIONSFORCHANGE.ORG				
<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: 1999	<b>M</b> 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: <u>THE VISION IS TO SOLVE FAMILY HOMELESSNESS, ONE FAMILY, ONE COMMUNITY AT A TIME.</u>				
	<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) .....	9		
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) .....	9		
	<b>5</b>	Total number of individuals employed in calendar year 2012 (Part V, line 2a) .....	58		
	<b>6</b>	Total number of volunteers (estimate if necessary) .....	350		
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12 .....	0.		
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34 .....	0.			
<b>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h) .....	1,359,601.	1,972,284.	
	<b>9</b>	Program service revenue (Part VIII, line 2g) .....	784,284.	893,829.	
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 1d) .....	2.		
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, and 11e) .....	33,155.	-59,352.	
	<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....	2,177,042.	2,806,761.	
	<b>Expenses</b>	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3) .....		
		<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4) .....		
		<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....	860,438.	1,334,755.
		<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e) .....		
		<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ 364,326.		
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) .....	982,943.	1,816,938.		
<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) .....	1,843,381.	3,151,693.		
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12 .....	333,661.	-344,932.		
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16) .....	7,330,018.	9,406,079.	
	<b>21</b>	Total liabilities (Part X, line 26) .....	6,093,810.	8,464,290.	
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20 .....	1,236,208.	941,789.	

**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>CHRIS MEGISON</b> Type or print name and title.		PRESIDENT & CEO	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed PTIN P00085551
	<b>JULIE A. FIRL</b>	<b>JULIE A. FIRL</b>		
	Firm's name ▶ LEAF & COLE, LLP	Firm's EIN ▶ 95-2076568		
	Firm's address ▶ 2810 CAMINO DEL RIO SOUTH, SUITE 200 SAN DIEGO, CA 92108-3820	Phone no. 619.294.7200		

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

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

TEEA0113L 12/18/12

Form 990 (2012)

**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III. ☒ X

1 Briefly describe the organization's mission:

THE VISION IS TO SOLVE FAMILY HOMELESSNESS, ONE FAMILY, ONE COMMUNITY AT A TIME.

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 and section 4947(a)(1) trusts 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 \$ 2,589,994. including grants of \$ ) (Revenue \$ 893,829.)  
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 ▶ 2,589,994.

BAA

TEEA0102L 08/03/12

Form 990 (2012)

**NORTH COUNTY SOLUTIONS FOR CHANGE, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**





	<u>Page</u>
Independent Auditor's Report	1 - 2
Consolidated Statements of Financial Position	3 - 4
Consolidated Statements of Activities	5
Consolidated Statement of Functional Expenses - 2012	6
Consolidated Statement of Functional Expenses - 2011	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 22
Supplementary Information:	
Supplementary Consolidating Schedule of Financial Position - 2012	23 - 24
Supplementary Consolidating Schedule of Financial Position - 2011	25 - 26
Supplementary Consolidating Schedule of Activities - 2012	27
Supplementary Consolidating Schedule of Activities - 2011	28
Schedule of Expenditures of Federal Awards	29
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 <i>Government Auditing Standards</i>	30 - 31
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	32 - 33
Schedule of Findings and Questioned Costs	34
Summary Schedule of Prior Audit Findings	35

## **Independent Auditor's Report**

To the Board of Directors  
North County Solutions for Change, Inc.

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of North County Solutions for Change, Inc., which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 consolidated financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of North County Solutions for Change, Inc. as of December 31, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is also not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2013, on our consideration of North County Solutions for Change, Inc.'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 North County Solutions for Change, Inc.'s internal control over financial reporting and compliance.

*Leaf & Cole LLP*

San Diego, California  
May 13, 2013

## ASSETS

	<u>2012</u>	<u>2011</u>
<b><u>Current Assets:</u></b> (Notes 1, 2 and 3)		
Cash and cash equivalents	\$ 192,936	\$ 411,717
Grants and other receivables	83,246	63,696
Pledges receivable, current portion	176,577	583,250
Prepaid expenses and deposits	26,553	47,833
Inventory	9,483	-
Tenant trust funds	24,611	34,040
Tenant security deposits	27,774	28,824
Total Current Assets	<u>541,180</u>	<u>1,169,360</u>
 <b><u>Property and Equipment, Net</u></b> (Notes 1, 5, 6 and 7)	 <u>13,639,842</u>	 <u>11,000,307</u>
 <b><u>Other Assets:</u></b> (Notes 1, 3, 4 and 10)		
Pledges receivable, net, noncurrent	500,941	341,304
Operating reserve	89,200	89,200
Replacement reserves	182,002	134,977
Deposits	25,000	77,000
Total Other Assets	<u>797,143</u>	<u>642,481</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 14,978,165</u>	 <u>\$ 12,812,148</u>

The accompanying notes are an integral part of the consolidated financial statements.

## LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
<b><u>Current Liabilities:</u></b> (Notes 1, 6 and 7)		
Accounts payable	\$ 93,527	\$ 76,426
Accrued expenses	111,758	61,999
Tenant trust funds	33,433	45,868
Tenant security deposits	27,774	31,634
Interest payable	8,587	8,588
Lines-of-credit payable	190,000	-
Current portion of long-term liabilities	22,589	7,020
Total Current Liabilities	<u>487,668</u>	<u>231,535</u>
<b><u>Long-Term Liabilities:</u></b> (Note 7)		
Notes payable, net of current portion	12,292,268	10,305,116
Interest payable	1,256,472	1,036,917
Total Long-Term Liabilities	<u>13,548,740</u>	<u>11,342,033</u>
Total Liabilities	<u>14,036,408</u>	<u>11,573,568</u>
<b><u>Commitments and Contingencies</u></b> (Notes 6, 7, 9, 10 and 11)		
<b><u>Minority Interest in Subsidiary</u></b>	<u>(32)</u>	<u>2,372</u>
<b><u>Net Assets:</u></b> (Notes 1 and 8)		
Unrestricted	245,078	311,654
Temporarily restricted	696,711	924,554
Total Net Assets	<u>941,789</u>	<u>1,236,208</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 14,978,165</u></u>	<u><u>\$ 12,812,148</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b><u>Support and Revenue:</u></b>						
Contributions	\$ 1,949,680	\$ 166,753	\$ 2,116,433	\$ 1,539,916	\$ 158,901	\$ 1,698,817
Grants	456,085	-	456,085	368,200	-	368,200
Rental income	304,813	-	304,813	406,951	-	406,951
In-kind donations	208,241	-	208,241	-	-	-
Social enterprise	183,782	-	183,782	73,995	-	73,995
Interest and miscellaneous	33,396	-	33,396	30,755	-	30,755
Net assets released from restriction	394,596	(394,596)	-	163,212	(163,212)	-
Total Support and Revenue	<u>3,530,593</u>	<u>(227,843)</u>	<u>3,302,750</u>	<u>2,583,029</u>	<u>(4,311)</u>	<u>2,578,718</u>
<b><u>Operating Expenses:</u></b>						
Program services	2,458,288	-	2,458,288	1,519,535	-	1,519,535
Fundraising	364,326	-	364,326	217,644	-	217,644
Management and general	214,675	-	214,675	151,230	-	151,230
Total Operating Expenses	<u>3,037,289</u>	<u>-</u>	<u>3,037,289</u>	<u>1,888,409</u>	<u>-</u>	<u>1,888,409</u>
Change in Net Assets Before Nonoperating Revenue and (Expenses)	493,304	(227,843)	265,461	694,620	(4,311)	690,309
<b><u>Nonoperating Revenue and (Expenses):</u></b>						
Minority interest in deficit of revenue and support over expenses of subsidiary	2,404	-	2,404	2,582	-	2,582
Depreciation	(379,350)	-	(379,350)	(263,057)	-	(263,057)
Interest - residual receipts debt	(182,934)	-	(182,934)	(140,137)	-	(140,137)
Total Nonoperating Revenue and (Expenses)	<u>(559,880)</u>	<u>-</u>	<u>(559,880)</u>	<u>(400,612)</u>	<u>-</u>	<u>(400,612)</u>
Change in Net Assets	(66,576)	(227,843)	(294,419)	294,008	(4,311)	289,697
Net Assets at Beginning of Year	<u>311,654</u>	<u>924,554</u>	<u>1,236,208</u>	<u>17,646</u>	<u>928,865</u>	<u>946,511</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 245,078</u>	<u>\$ 696,711</u>	<u>\$ 941,789</u>	<u>\$ 311,654</u>	<u>\$ 924,554</u>	<u>\$ 1,236,208</u>

The accompanying notes are an integral part of the consolidated financial statements.

	Program Services			Supporting Services		
	Solutions For Change Programs	Solutions Family Center	Total Program Services	Management and General	Fundraising	Total
<b><u>Operating Expenses:</u></b>						
Salaries and wages	\$ 1,100,061	\$ 23,004	\$ 1,123,065	\$ 58,651	\$ 78,976	\$ 1,260,692
Fundraising expenses	-	-	-	-	265,957	265,957
In-kind expense	208,241	-	208,241	-	-	208,241
Rent	177,620	-	177,620	-	-	177,620
Insurance	101,278	26,220	127,498	11,253	12,504	151,255
Repairs and maintenance	78,600	31,281	109,881	8,442	-	118,323
Utilities and refuse removal	49,350	56,133	105,483	5,483	-	110,966
Payroll taxes	92,308	3,000	95,308	4,304	6,456	106,068
Meetings and seminars	39,873	-	39,873	59,810	-	99,683
Professional fees	59,238	-	59,238	30,436	-	89,674
Advertising	84,944	-	84,944	157	-	85,101
Bad debt expense	70,250	-	70,250	-	-	70,250
Supplies	64,418	800	65,218	175	-	65,393
Office expense	48,560	549	49,109	5,396	-	54,505
Telephone	36,195	9,469	45,664	4,022	-	49,686
Interest	39,431	8,587	48,018	-	-	48,018
Automobile and truck	38,112	-	38,112	-	-	38,112
Bank and merchant fees	-	-	-	14,705	-	14,705
Property fees	-	-	-	10,716	-	10,716
Dues and subscriptions	5,131	-	5,131	-	-	5,131
Postage and printing	3,616	-	3,616	-	-	3,616
Payroll processing	2,019	-	2,019	433	433	2,885
Miscellaneous	-	-	-	693	-	693
Total Operating Expenses	<u>2,299,245</u>	<u>159,043</u>	<u>2,458,288</u>	<u>214,675</u>	<u>364,326</u>	<u>3,037,289</u>
<b><u>Nonoperating Expenses:</u></b>						
Depreciation	220,656	158,694	379,350	-	-	379,350
Interest - residual receipts debt	70,093	112,841	182,934	-	-	182,934
Total Nonoperating Expenses	<u>290,749</u>	<u>271,535</u>	<u>562,284</u>	<u>-</u>	<u>-</u>	<u>562,284</u>
<b>TOTAL EXPENSES</b>	<u>\$ 2,589,994</u>	<u>\$ 430,578</u>	<u>\$ 3,020,572</u>	<u>\$ 214,675</u>	<u>\$ 364,326</u>	<u>\$ 3,599,573</u>

The accompanying notes are an integral part of the consolidated financial statements.

	Program Services			Supporting Services		
	Solutions For Change Programs	Solutions Family Center	Total Program Services	Management and General	Fundraising	Total
<b><u>Operating Expenses:</u></b>						
Salaries and wages	\$ 698,044	\$ 23,000	\$ 721,044	\$ 46,429	\$ 60,643	\$ 828,116
Fundraising expenses	-	-	-	-	147,160	147,160
Rent	228,077	-	228,077	-	-	228,077
Insurance	61,566	21,774	83,340	4,406	4,896	92,642
Repairs and maintenance	57,194	46,606	103,800	5,554	-	109,354
Utilities and refuse removal	31,759	47,254	79,013	3,529	-	82,542
Payroll taxes	53,838	3,000	56,838	2,993	4,491	64,322
Meetings and seminars	11,712	-	11,712	17,568	-	29,280
Professional fees	77,719	-	77,719	35,804	-	113,523
Advertising	13,537	-	13,537	153	-	13,690
Supplies	35,203	800	36,003	562	-	36,565
Office expense	45,257	1,059	46,316	2,765	-	49,081
Telephone	14,972	7,168	22,140	1,664	-	23,804
Interest	6,297	8,588	14,885	-	-	14,885
Automobile and truck	12,288	-	12,288	-	-	12,288
Bank and merchant fees	-	-	-	15,573	-	15,573
Property fees	-	-	-	10,256	-	10,256
Dues and subscriptions	7,568	-	7,568	-	-	7,568
Postage and printing	1,283	-	1,283	-	-	1,283
Payroll processing	2,118	-	2,118	454	454	3,026
Miscellaneous	-	-	-	3,520	-	3,520
Equipment rental	1,854	-	1,854	-	-	1,854
Total Operating Expenses	<u>1,360,286</u>	<u>159,249</u>	<u>1,519,535</u>	<u>151,230</u>	<u>217,644</u>	<u>1,888,409</u>
<b><u>Nonoperating Expenses:</u></b>						
Depreciation	104,503	158,554	263,057	-	-	263,057
Interest - residual receipts debt	27,436	112,701	140,137	-	-	140,137
Total Nonoperating Expenses	<u>131,939</u>	<u>271,255</u>	<u>403,194</u>	<u>-</u>	<u>-</u>	<u>403,194</u>
<b>TOTAL EXPENSES</b>	<u>\$ 1,492,225</u>	<u>\$ 430,504</u>	<u>\$ 1,922,729</u>	<u>\$ 151,230</u>	<u>\$ 217,644</u>	<u>\$ 2,291,603</u>

The accompanying notes are an integral part of the consolidated financial statements.



	<u>2012</u>	<u>2011</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ (294,419)	\$ 289,697
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	379,350	263,057
Interest - residual receipts debt	182,934	140,137
Minority interest deficit of revenue and support over expenses of subsidiary	(2,404)	(2,582)
<b>(Increase) Decrease in:</b>		
Grants and other receivables	(19,550)	39,652
Pledges receivable, net	247,036	4,311
Prepaid expenses and deposits	21,280	(27,855)
Inventory	(9,483)	-
Tenant trust funds	9,429	2,651
Tenant security deposits	1,050	(8,719)
<b>Increase (Decrease) in:</b>		
Accounts payable	17,101	10,021
Accrued expenses	49,759	(5,539)
Tenant trust funds	(12,435)	(1,485)
Tenant security deposits	(3,860)	11,530
Net Cash Provided by Operating Activities	<u>565,788</u>	<u>714,876</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Purchase of property and equipment	(2,982,265)	(2,988,440)
Deposits to replacement reserves, net	(47,025)	(28,609)
Refund (Payments) of deposits, net	52,000	(53,000)
Net Cash Used in Investing Activities	<u>(2,977,290)</u>	<u>(3,070,049)</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
Proceeds from lines-of-credit payable	190,000	-
Proceeds from notes payable	2,081,650	2,674,902
Payments on notes payable	(78,929)	(30,865)
Net Cash Provided by Financing Activities	<u>2,192,721</u>	<u>2,644,037</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(218,781)	288,864
Cash and Cash Equivalents at Beginning of Year	<u>411,717</u>	<u>122,853</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 192,936</u></u>	<u><u>\$ 411,717</u></u>
<b><u>Supplemental Disclosure of Cash Flow Information:</u></b>		
Cash paid for interest, net of capitalized interest (Note 1)	<u>\$ 56,605</u>	<u>\$ 14,885</u>
Cash paid for Franchise tax	<u>\$ 800</u>	<u>\$ 800</u>

The accompanying notes are an integral part of the consolidated financial statements.

## **Note 1 - Organization and Significant Accounting Policies:**

### **Organization**

The consolidated financial statements of the Organization include the accounts of the following entities:

#### **North County Solutions for Change, Inc.**

North County Solutions for Change, Inc. (“Solutions for Change”) was incorporated in the State of California on November 15, 1999. The mission of the Organization is to end family homelessness in North San Diego. The Organization is supported primarily through donor contributions and grants.

#### **Solutions Family Center, L.P.**

Solutions Family Center, L.P. (the “Partnership”) was formed as a limited partnership under the laws of the State of California on December 18, 2000. The Partnership was established for the purpose and intent of constructing and operating a rental housing project. The rental housing project was placed into service in November 2004 and is located in Vista, California. The project consists of 33 units. The Organization is the General Partner and owns 99% of the Partnership.

### **Solutions for Change - Our Mission and our Model**

The mission of Solutions for Change is to end family homelessness in North San Diego County. It accomplishes this community-driven goal through a 1000-day program and partnership during which residents gain access to the skills, knowledge, and resources they need to permanently solve their homelessness. Under the guidance of professional coaches, residents are mentored so they identify, address, and solve the challenges that made them and their children homeless. Through its efforts, Solutions for Change has led more than 640 families and their 1300 children out of homelessness, at a saving of an estimated \$32 million in public costs.

### **Limited Liability Companies**

#### **Solutions Vista Terrace, LLC**

Solutions Vista Terrace, LLC has a 0.05% interest in SFC Vista Terrace, L.P., which has been recorded on the equity method.

#### **Solutions Parkview LLC**

Solutions Parkview, LLC has a 0.02% interest in Parkview San Marcos II, L.P., which has been recorded on the equity method.

### **Consolidated Financial Statements**

The consolidated financial statements include the accounts of North County Solutions for Change, Inc. and Solutions Family Center, L.P. All material intercompany transactions have been eliminated in consolidation.

## **Note 1 - Organization and Significant Accounting Policies: (Continued)**

### **Significant Accounting Policies**

#### **Method of Accounting**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

#### **Financial Statement Presentation**

The consolidated financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

#### **Estimates**

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

#### **Fair Value Measurements**

The Organization has adopted the fair value standards for financial assets and liabilities that are required to be measured at fair value on a recurring basis. The Fair Value Measurement standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). These standards do not change existing guidance as to whether or not an instrument is carried at fair value. The Organization had no financial instruments as of December 31, 2012 and 2011.

#### **Allowance for Doubtful Accounts**

Management believes that all receivables were fully collectible; therefore no allowance for doubtful accounts was recorded as of December 31, 2012 and 2011.

#### **Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

## **Note 1 - Organization and Significant Accounting Policies: (Continued)**

### **Significant Accounting Policies (Continued)**

#### **Inventory**

Inventory consists of operating supplies related to the operations of the Solutions Farm. Inventory is valued at the lower cost (first-in, first-out) or market.

#### **Capitalization and Depreciation**

The Organization capitalizes all expenditures in excess of \$2,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method over the estimated useful asset lives as follows:

Land improvements	20 years
Buildings and improvements	5 - 40 years
Furniture and fixtures	7 - 10 years
Machinery and equipment	5 - 7 years
Vehicles	5 years

Depreciation totaled \$379,350 and \$263,057 for the years ended December 31, 2012 and 2011, respectively.

Maintenance, repairs and minor renewals are charged to operations as incurred. Upon sale or disposition of property and equipment, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings.

Interest totaling \$36,620 and \$51,088 has been capitalized and is included in buildings and improvements for the years ended December 31, 2012 and 2011, respectively.

#### **Impairment of Real Estate**

The Organization reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flows expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of real estate exceeds the fair value of such property. There were no impairment losses recognized in 2012 and 2011.

## **Note 1 - Organization and Significant Accounting Policies: (Continued)**

### **Significant Accounting Policies (Continued)**

#### **Compensated Absences**

Accumulated unpaid vacation totaling \$25,494 and \$5,635 at December 31, 2012 and 2011, respectively, is accrued as earned and included in accrued expenses.

#### **Tenant Trust Funds**

Tenant trust funds represent amounts held on behalf of tenants. In accordance with the funding agreement, the Organization holds 10% of the tenant rent in trust for tenants as a “set aside” to be used for rental of permanent housing when the tenant successfully completes the program. The Organization also maintains savings accounts for program participants. The tenant trust funds consist of the following at December 31:

	<u>2012</u>	<u>2011</u>
Set aside funds	\$ 8,821	\$ 11,828
Client savings funds	<u>24,612</u>	<u>34,040</u>
	<u>\$ 33,433</u>	<u>\$ 45,868</u>

#### **Tenant Security Deposits**

Tenant security deposits are held by the project and these funds are restricted to the extent of the tenant security deposit liability of \$27,774 and \$31,634 at December 31, 2012 and 2011, respectively.

#### **Revenue Recognition**

Rental income is recognized for apartment rents as it accrues. Advance receipts of rental income are deferred or classified as liabilities until earned.

Grant revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant. Grants receivable are recorded when revenue earned under a grant exceeds the cash received. Deferred revenue is recorded when cash received under a grant exceeds the revenue earned.

#### **Unrestricted Net Assets**

The Organization’s unrestricted net assets include depreciation on property and equipment and accrued interest on loans for which the interest may only be paid from residual receipts. The amounts included in the unrestricted net assets totaled \$379,350 and \$263,057 for depreciation and \$182,934 and \$140,137 for interest on residual receipts debt, for the years ended December 31, 2012 and 2011, respectively.

## **Note 1 - Organization and Significant Accounting Policies: (Continued)**

### **Significant Accounting Policies (Continued)**

#### **Donated Services and Materials**

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended December 31, 2012 and 2011, did not meet the requirements above, therefore no amounts were recognized in the consolidated financial statements.

The Organization received in-kind contributions totaling \$208,241 and \$-0- for the years ended December 31, 2012 and 2011, respectively, which have been recorded as contributions revenue and operating expenses in the statement of activities.

#### **Allocated Expenses**

Expenses by function have been allocated among program and supporting services classification on the basis of internal records and estimates made by the Organization's management.

#### **Income Taxes**

Solutions for Change is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Solutions for Change believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. Solutions for Change is not a private foundation.

The Partnership has recorded no provision or benefit for income taxes since taxable income (loss) passes through to, and is reportable by, the partners individually.

Solutions for Change's Return of Organization Exempt from Income Tax and the Partnership's tax returns for the years ended December 31, 2012, 2011, 2010, and 2009 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

#### **Concentration of Credit Risk**

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

#### **Cash and Cash Equivalents**

For purposes of the consolidated statement of cash flows, the Organization considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

**Note 1 - Organization and Significant Accounting Policies: (Continued)****Significant Accounting Policies (Continued)****Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 13, 2013, the date the consolidated financial statements were available to be issued, and concluded that there were no events or transactions that needed to be disclosed except as disclosed in Note 11.

**Note 2 - Grants and Other Receivables:**

Grants and other receivables consist of the following at December 31:

	<u>2012</u>	<u>2011</u>
County of San Diego	\$ 49,037	\$ 32,259
State of California	23,674	14,646
Other	5,368	8,982
HUD SHP	4,167	5,529
City of Vista	1,000	2,280
Total Grants and Other Receivables	<u>\$ 83,246</u>	<u>\$ 63,696</u>

**Note 3 - Pledges Receivable:**

Pledges receivable consist of the following at December 31:

	<u>2012</u>	<u>2011</u>
Due in less than one year	<u>\$ 176,577</u>	<u>\$ 583,250</u>
Due in one to five years	525,000	351,923
Less: Discounts to present value	<u>(24,059)</u>	<u>(10,619)</u>
Due in more than one year	500,941	341,304
Pledges Receivable, Net	<u>\$ 677,518</u>	<u>\$ 924,554</u>

Pledges receivable have been discounted to their net present value using a discount rate of 3.00% for the years ended December 31, 2012 and 2011.

**Note 4 - Restricted Reserves:**

According to the Partnership, loan and other regulatory agreements, the Organization is required to maintain the following reserves:

**Operating Reserve**

The Partnership is required to fund an operating reserve up to the amount of \$89,200. There is no annual funding requirement for this reserve. The operating reserve balance totaled \$89,200 at December 31, 2012 and 2011.

**Note 4 - Restricted Reserves: (Continued)****Replacement Reserves**

The Partnership is required to fund a replacement reserve in the initial amount of \$20,000 in accordance with the regulatory agreement with the City of Vista. In accordance with the operating budget approved by the Department of Housing and Community Development, the Partnership is required to fund a replacement reserve of \$16,386 annually beginning March 24, 2005. The reserve requirement was reduced by the Department of Housing and Community Development by \$20,000 to offset the reserve mandated by the City of Vista. All replacement reserve requirements were met as of December 31, 2012 and 2011. The replacement reserve balance totaled \$136,680 and \$120,294 at December 31, 2012 and 2011, respectively.

The Organization is required to maintain replacement reserve accounts for each property obtained through Neighborhood Stabilization Program and HOME Investment Partnership Program funding. These amounts vary by property and must be funded annually beginning two months subsequent to the completion of rehabilitation. All replacement reserve requirements were met as of December 31, 2012. The replacement reserve balance totaled \$45,322 and \$14,683 as of December 31, 2012 and 2011, respectively.

**Note 5 - Property and Equipment:**

Property and equipment consist of the following at December 31:

	<u>2012</u>	<u>2011</u>
Land	\$ 2,700,809	\$ 1,357,259
Land improvements	356,395	356,395
Buildings and improvements	12,163,966	10,517,266
Furniture and fixtures	144,615	144,615
Machinery and equipment	52,212	52,212
Vehicles	98,947	71,961
Subtotal	<u>15,516,944</u>	<u>12,499,708</u>
Less: Accumulated depreciation	<u>(1,877,101)</u>	<u>(1,499,401)</u>
Property and Equipment, Net	<u>\$ 13,639,842</u>	<u>\$ 11,000,307</u>

**Note 6 - Lines-of-Credit:**

The Organization has a line-of-credit with Pacific Western Bank in the amount of \$100,000 with interest at 6%. The line-of-credit expires on July 7, 2013, and is secured by real property. The outstanding balance totaled \$100,000 and \$-0- at December 31, 2012 and 2011, respectively.

The Organization has a line-of-credit with Pacific Western Bank in the amount of \$90,000 with interest at 6%. The line-of-credit expires on August 28, 2015, and is unsecured. The outstanding balance totaled \$90,000 and \$-0- at December 31, 2012 and 2011, respectively.



**Note 7 - Notes Payable:**

Notes payable consist of the following at December 31:

	<u>2012</u>	<u>2011</u>
<b><u>North County Solutions For Change, Inc.</u></b>		
North Island Financial Credit Union payable in monthly installments of \$638 including interest at 6.5%, due December 15, 2015, secured by vehicle.	\$ 19,748	\$ 26,625
Promissory note, which was originated on March 29, 2006, held by the Department of Housing and Community Development in the original amount of \$924,850. Of this amount, \$864,542 and \$47,584 were provided for the purchase of the East Vista Way property. The note bears interest at 3% per annum. Repayment of principal and accrued interest are deferred as long as the Organization operates the facility as an emergency shelter or transition housing in compliance the terms of the agreement. In the event that the compliance standards are met, the loan will be forgiven at the maturity date of March 29, 2016 for the first draw and August 25, 2016 for the second draw. Secured by a deed of trust. Accrued interest totaled \$186,368 and \$159,004 at December 31, 2012 and 2011, respectively.	912,126	912,126
The loan payable, which originated September 24, 2009, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$357,762. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of September 24, 2024. Secured by a deed of trust.	351,356	351,356
The loan payable, which originated November 16, 2009, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$79,156. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of November 16, 2024. Secured by a deed of trust.	79,156	79,156
The loan payable, which originated September 3, 2009, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$301,084. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of September 3, 2024. Secured by a deed of trust.	301,084	301,084

**Note 7 - Notes Payable: (Continued)****North County Solutions For Change, Inc. (Continued)**20122011

The loan payable, which originated February 3, 2010, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$461,369. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of February 3, 2025. Secured by a deed of trust.

\$ 456,518 \$ 456,518

The loan payable, which originated February 26, 2010, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$132,704. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of February 26, 2025. Secured by a deed of trust.

129,342 129,342

The loan payable, which originated January 7, 2010, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$286,010. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of January 7, 2025. Secured by a deed of trust.

278,900 278,900

The loan payable, which originated August 4, 2010, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$332,847. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of August 4, 2025. Secured by a deed of trust.

323,095 323,095

The loan payable, which originated July 22, 2010, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$392,272. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of July 22, 2025. Secured by a deed of trust.

375,310 375,310

**Note 7 - Notes Payable: (Continued)****North County Solutions For Change, Inc. (Continued)**20122011

The loan payable, which originated April 13, 2011, is held by the County of San Diego Department of Housing and Community Development in the original amount of \$3,421,452 (\$2,848,634 advanced as of December 31, 2012). The loan bears interest at 3% per annum. Principal and accrued interest are payable from residual receipts (50%) from the Primrose property with the remaining residual receipts (50%) to be held in a segregated operating reserve account. The Primrose property was placed in service in 2012. Principal and accrued interest are due April 1, 2066. Secured by a deed of trust. Accrued interest totaled \$130,437 and \$51,088 at December 31, 2012 and 2011, respectively.

\$ 2,848,634

\$ 2,448,913

The loan payable, which originated April 1, 2011, is held by the Clearinghouse Community Development Financial Institution in the original amount of \$1,100,000. Principal and accrued interest are payable in monthly installments of \$6,419 including interest at 5.75% beginning March 1, 2012. Principal and accrued interest are due May 1, 2021. Secured by a deed of trust.

1,027,587

17,813

The loan payable, which originated August 5, 2011, is held by the Corporation for Supportive Housing in the original amount of \$50,000. The loan bears interest at 0% for the first 24 months and 6% thereafter. Principal and accrued interest are due the earlier of closing of predevelopment financing or November 15, 2014. Unsecured.

-

12,500

The loan payable, which originated October 19, 2012, is held by First-Citizens Bank & Trust in the original amount of \$496,000. Principal and accrued interest are payable in monthly installments of \$3,155 including interest at 4.5%, beginning November 24, 2012. Principal and accrued interest are due October 24, 2019. Secured by a deed of trust.

492,603

-

The loan payable, which originated on October 23, 2012, is held by Veritas Services LLC in the original amount of \$120,000. Payable in monthly interest only payments at 8.5%. Principal and accrued interest are due November 1, 2014. Secured by a deed of trust.

120,000

-

Total North County Solutions for Change, Inc.

7,715,4595,712,738

**Note 7 - Notes Payable: (Continued)**20122011**Solutions Family Center, L.P.**

The mortgage note, which was originated on March 8, 2005, is held by the California Department of Housing and Community Development (MHP) in the original amount of \$2,044,512. The note bears interest at 3% per annum. Payments in the amount of forty-two hundredths of one percent (.42%) per annum on the unpaid principal balance of the loan are payable beginning December 31, 2005 and continuing annually thereafter up to the twenty-ninth anniversary of the interest payment date. Commencing on the thirtieth (30th) anniversary of the interest payment date and continuing annually thereafter, payments shall equal the lesser of (1) the full amount of interest accruing on the unpaid principal balance during the year, or (2) the amount determined by the lender as to be necessary to cover the costs of continued monitoring of the compliance requirements under the loan. In addition, the note may require additional payments from net cash flow under the terms of the regulatory agreement. The note is due March 2060. Secured by a deed of trust. Accrued interest totaled \$410,415 and \$357,667 at December 31, 2012 and 2011, respectively, and the required interest payments totaled \$8,587 and \$8,588 for the years ended December 31, 2012 and 2011, respectively.

\$ 2,044,512      \$ 2,044,512

The mortgage note, which was originated on July 30, 2003, is held by the San Diego County Department of Housing and Community Development in the original amount of \$957,000. The note bears interest at 3% per annum. Principal and accrued interest are payable from residual receipts, as defined in the agreement, calculated annually. Principal and accrued interest are due July 2058. Secured by a deed of trust. Accrued interest totaled \$261,012 and \$232,302 at December 31, 2012 and 2011, respectively.

957,000      957,000

The mortgage note, which was originated on July 28, 2003, is held by the City of Vista in the original amount of \$550,000. The note bears interest at 3% per annum. Principal and accrued interest are payable from residual receipts, as defined in the agreement, calculated annually. Principal and accrued interest are due July 2058. Secured by a deed of trust. Accrued interest totaled \$148,486 and \$131,986 at December 31, 2012 and 2011, respectively.

550,000      550,000

The mortgage note, which was originated on July 31, 2003, is held by the City of Escondido in the original amount of \$375,100. The note is non-interest bearing. Principal is due July 2058. Secured by a deed of trust.

375,100      375,100

**Note 7 - Notes Payable: (Continued)****Solutions Family Center, L.P. (Continued)**

The mortgage note, which was originated on July 24, 2003, is held by the Bank of America for the Affordable Housing Program (AHP) in the original amount of \$176,700. The note is non-interest bearing provided that all compliance requirements of the loan are met. Principal is due July 2021. Secured by a deed of trust.

	<u>2012</u>	<u>2011</u>
	\$ 176,700	\$ 176,700

The mortgage note, which was originated on April 9, 2004, is held by the California Department of Housing and Community Development in the amount of \$496,086. The note bears interest at 3% per annum. Principal and accrued interest are due April 2014. Secured by a deed of trust. Accrued interest totaled \$128,341 and \$113,458 at December 31, 2012 and 2011, respectively.

Total Solutions Family Center, L.P.

Total Notes Payable

Less: Current Portion

Notes Payable, Long-Term

	<u>496,086</u>	<u>496,086</u>
	<u>4,599,398</u>	<u>4,599,398</u>
	<u>12,314,857</u>	<u>10,312,136</u>
	<u>(22,589)</u>	<u>(7,020)</u>
	<u>\$ 12,292,268</u>	<u>\$ 10,305,116</u>

The future principal payments on the notes payable are as follows:

<u>Years Ended December 31</u>	<u>North County for Solutions for Change, Inc.</u>	<u>Solutions Family Center, L.P.</u>	<u>Total</u>
2013	\$ 22,589	\$ -	\$ 22,589
2014	143,764	496,086	639,850
2015	23,717	-	23,717
2016	930,464	-	930,464
2017	19,181	-	19,181
Thereafter	<u>6,575,744</u>	<u>4,103,312</u>	<u>10,679,056</u>
Total	<u>\$ 7,715,459</u>	<u>\$ 4,599,398</u>	<u>\$ 12,314,857</u>

**Note 8 - Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2012</u>	<u>2011</u>
Pledges receivable - Operations	\$ 677,519	\$ 924,554
Playground equipment for Vista Terrace	<u>19,192</u>	<u>-</u>
	<u>\$ 696,711</u>	<u>\$ 924,554</u>

#### **Note 8 - Temporarily Restricted Net Assets: (Continued)**

Net assets in the amount of \$394,596 and \$163,212 were released from donor restrictions by incurring expenses and events satisfying the purpose or time restrictions specified by donors for the years ended December 31, 2012 and 2011, respectively.

#### **Note 9 - Contingencies:**

The Partnership entered into loan agreements with several agencies for the purpose of building and maintaining the tenant housing facilities. These agreements specify requirements for the building maintenance. The loans will be forgiven at the end of the loan term if all requirements have been met. In the event that the Partnership does not comply with the agreement, sells the property, or desists using the facility for its original intended purposes, these notes may be called.

#### **Note 10 - Commitments:**

##### **Leases**

##### **Office Space**

In 2004, the Organization began occupying approximately 7,200 square feet of donated office space at the Center's facility located at 702 West California Avenue, Vista, California. Estimated fair market value of the donated facilities in 2012 and 2011 was \$129,600. Due to the elimination of intercompany transactions during the consolidation process, the rent accrual and expense are not reflected in the consolidated financial statements.

##### **Vehicle**

The Organization leases a vehicle under a three year lease agreement beginning November 2011 and ending in January 2015, with a monthly payment of \$602. Rent expense totaled \$7,224 and 1,204 for the years ended December 31, 2012 and 2011, respectively.

##### **Contracts**

On June 1, 2012, the Organization entered into a five year employment contract with the President, which provides a base salary plus an annual bonus based on performance and not to exceed 20% of the current salary. After the five years, there is an option to renew annually.

On June 1, 2012, the Organization entered into a five year employment contract with the Vice President, which provides a base salary plus an annual bonus based on performance and not to exceed 15% of the current salary. After the five years, there is an option to renew annually.

##### **Property Purchase Agreement**

The Organization has entered into purchase agreements for various real property. In connection with these agreements it has made deposits totaling \$25,000 and \$77,000 at December 31, 2012 and 2011, respectively.

**Note 10 - Commitments: (Continued)**

The following is a schedule of future minimum payments related to the Commitments:

<u>Years Ended December 31</u>	<u>Leases</u>	<u>Contracts</u>	<u>Total</u>
2013	\$ 7,224	\$ 225,000	\$ 232,224
2014	7,224	225,000	232,224
2015	602	225,000	225,602
2016	-	225,000	225,000
2017	-	112,500	112,500
Total	<u>\$ 15,050</u>	<u>\$ 1,012,500</u>	<u>\$ 1,027,550</u>

**Note 11 - Subsequent Events:**

On January 18, 2013, the Organization purchased 1130 Melrose Avenue in Vista, California for \$245,000. The Organization received third party financing totaling \$192,000 to purchase the building. The Organization plans to use the building for collecting in-kind donations and the Books for Real Change program.

## ASSETS

	North County Solutions For Change, Inc.	Solutions Family Center, L.P.	Eliminations	Consolidated
<b><u>Current Assets:</u></b>				
Cash and cash equivalents	\$ 192,377	\$ 559	\$ -	\$ 192,936
Grants and other receivables	86,201	-	(2,955)	83,246
Pledges receivable, current portion	176,577	-	-	176,577
Prepaid expenses and deposits	25,575	978	-	26,553
Inventory	9,483	-	-	9,483
Tenant trust funds	24,611	-	-	24,611
Tenant security deposits	15,786	11,988	-	27,774
Total Current Assets	<u>530,610</u>	<u>13,525</u>	<u>(2,955)</u>	<u>541,180</u>
<b><u>Property and Equipment, Net</u></b>	<u>8,710,555</u>	<u>4,929,287</u>	<u>-</u>	<u>13,639,842</u>
<b><u>Other Assets:</u></b>				
Investment in subsidiary	(406,349)	-	406,349	-
Pledges receivable, net, noncurrent	500,941	-	-	500,941
Operating reserve	-	89,200	-	89,200
Replacement reserves	45,322	136,680	-	182,002
Deposit	25,000	-	-	25,000
Total Other Assets	<u>164,914</u>	<u>225,880</u>	<u>406,349</u>	<u>797,143</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,406,079</u>	<u>\$ 5,168,692</u>	<u>\$ 403,394</u>	<u>\$ 14,978,165</u>



# **LIABILITIES AND NET ASSETS**

	North County Solutions For Change, Inc.	Solutions Family Center, L.P.	Eliminations	Consolidated
<b><u>Current Liabilities:</u></b>				
Accounts payable	\$ 87,206	\$ 9,276	\$ (2,955)	\$ 93,527
Accrued expenses	111,758	-	-	111,758
Tenant trust funds	27,276	6,157	-	33,433
Tenant security deposits	15,786	11,988	-	27,774
Interest payable	-	8,587	-	8,587
Lines-of-credit payable	190,000	-	-	190,000
Current portion of long-term liabilities	22,589	-	-	22,589
Total Current Liabilities	<u>454,615</u>	<u>36,008</u>	<u>(2,955)</u>	<u>487,668</u>
<b><u>Long-Term Liabilities:</u></b>				
Notes payable, net of current portion	7,692,870	4,599,398	-	12,292,268
Interest payable	<u>316,805</u>	<u>939,667</u>	<u>-</u>	<u>1,256,472</u>
Total Long-Term Liabilities	<u>8,009,675</u>	<u>5,539,065</u>	<u>-</u>	<u>13,548,740</u>
Total Liabilities	<u>8,464,290</u>	<u>5,575,073</u>	<u>(2,955)</u>	<u>14,036,408</u>
<b><u>Minority Interest in Subsidiary</u></b>	<u>-</u>	<u>-</u>	<u>(32)</u>	<u>(32)</u>
<b><u>Net Assets:</u></b>				
Unrestricted	245,078	(406,381)	406,381	245,078
Temporarily restricted	<u>696,711</u>	<u>-</u>	<u>-</u>	<u>696,711</u>
Total Net Assets	<u>941,789</u>	<u>(406,381)</u>	<u>406,381</u>	<u>941,789</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>9,406,079</u></b>	<b>\$ <u>5,168,692</u></b>	<b>\$ <u>403,394</u></b>	<b>\$ <u>14,978,165</u></b>

## ASSETS

	North County Solutions For Change, Inc.	Solutions Family Center, L.P.	Eliminations	Consolidated
<b><u>Current Assets:</u></b>				
Cash and cash equivalents	\$ 410,415	\$ 1,302	\$ -	\$ 411,717
Grants and other receivables	63,696	-	-	63,696
Pledges receivable, current portion	583,250	-	-	583,250
Prepaid expenses and deposits	46,960	873	-	47,833
Tenant trust funds	34,040	-	-	34,040
Tenant security deposits	12,174	16,650	-	28,824
Total Current Assets	<u>1,150,535</u>	<u>18,825</u>	<u>-</u>	<u>1,169,360</u>
<b><u>Property and Equipment, Net</u></b>	<u>5,914,876</u>	<u>5,085,431</u>	<u>-</u>	<u>11,000,307</u>
<b><u>Other Assets:</u></b>				
Investment in subsidiary	(168,380)	-	168,380	-
Pledges receivable, net, noncurrent	341,304	-	-	341,304
Operating reserve	-	89,200	-	89,200
Replacement reserves	14,683	120,294	-	134,977
Deposit	77,000	-	-	77,000
Total Other Assets	<u>264,607</u>	<u>209,494</u>	<u>168,380</u>	<u>642,481</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,330,018</u>	<u>\$ 5,313,750</u>	<u>\$ 168,380</u>	<u>\$ 12,812,148</u>

# **LIABILITIES AND NET ASSETS**

	North County Solutions For Change, Inc.	Solutions Family Center, L.P.	Eliminations	Consolidated
<b><u>Current Liabilities:</u></b>				
Accounts payable	\$ 57,239	\$ 19,187	\$ -	\$ 76,426
Accrued expenses	61,999	-	-	61,999
Tenant trust funds	36,776	9,092	-	45,868
Tenant security deposits	14,966	16,668	-	31,634
Interest payable	-	8,588	-	8,588
Current portion of long-term liabilities	7,020	-	-	7,020
Total Current Liabilities	<u>178,000</u>	<u>53,535</u>	<u>-</u>	<u>231,535</u>
<b><u>Long-Term Liabilities:</u></b>				
Notes payable, net of current portion	5,705,718	4,599,398	-	10,305,116
Interest payable	<u>210,092</u>	<u>826,825</u>	<u>-</u>	<u>1,036,917</u>
Total Long-Term Liabilities	<u>5,915,810</u>	<u>5,426,223</u>	<u>-</u>	<u>11,342,033</u>
Total Liabilities	<u>6,093,810</u>	<u>5,479,758</u>	<u>-</u>	<u>11,573,568</u>
<b><u>Minority Interest in Subsidiary</u></b>	<u>-</u>	<u>-</u>	<u>2,372</u>	<u>2,372</u>
<b><u>Net Assets:</u></b>				
Unrestricted	311,654	(166,008)	166,008	311,654
Temporarily restricted	<u>924,554</u>	<u>-</u>	<u>-</u>	<u>924,554</u>
Total Net Assets	<u>1,236,208</u>	<u>(166,008)</u>	<u>166,008</u>	<u>1,236,208</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>7,330,018</u></b>	<b>\$ <u>5,313,750</u></b>	<b>\$ <u>168,380</u></b>	<b>\$ <u>12,812,148</u></b>

	North County Solutions For Change, Inc.	Solutions Family Center, L.P.	Eliminations	Consolidated
<b><u>Unrestricted Net Assets:</u></b>				
<b><u>Support and Revenue:</u></b>				
Contributions	\$ 1,949,680	\$ -	\$ -	\$ 1,949,680
Grants	456,085	-	-	456,085
Rental income	357,126	315,537	(367,850)	304,813
In-kind contributions	208,241	-	-	208,241
Social enterprise	183,782	-	-	183,782
Interest and miscellaneous	28,212	21,570	(16,386)	33,396
Net assets released from restriction	394,596	-	-	394,596
Total Support and Revenue	<u>3,577,722</u>	<u>337,107</u>	<u>(384,236)</u>	<u>3,530,593</u>
<b><u>Operating Expenses:</u></b>				
Program services	2,553,881	288,643	(384,236)	2,458,288
Fundraising	364,326	-	-	364,326
Management and general	197,373	17,302	-	214,675
Total Operating Expenses	<u>3,115,580</u>	<u>305,945</u>	<u>(384,236)</u>	<u>3,037,289</u>
Change in Unrestricted Net Assets Before Nonoperating Revenue and (Expenses)	<u>462,142</u>	<u>31,162</u>	<u>-</u>	<u>493,304</u>
<b><u>Nonoperating Revenue and (Expenses):</u></b>				
Excess (deficit) of support and revenue over expenses of subsidiary	(237,969)	-	240,373	2,404
Depreciation	(220,656)	(158,694)	-	(379,350)
Interest - residual receipts debt	(70,093)	(112,841)	-	(182,934)
Total Nonoperating Revenue and (Expenses)	<u>(528,718)</u>	<u>(271,535)</u>	<u>240,373</u>	<u>(559,880)</u>
Change in Unrestricted Net Assets	<u>(66,576)</u>	<u>(240,373)</u>	<u>240,373</u>	<u>(66,576)</u>
<b><u>Temporarily Restricted Net Assets:</u></b>				
Contributions	166,753	-	-	166,753
Net assets released from restrictions	(394,596)	-	-	(394,596)
Change in Temporarily Restricted Net Assets	<u>(227,843)</u>	<u>-</u>	<u>-</u>	<u>(227,843)</u>
Net Assets at Beginning of Year	<u>1,236,208</u>	<u>(166,008)</u>	<u>166,008</u>	<u>1,236,208</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 941,789</u>	<u>\$ (406,381)</u>	<u>\$ 406,381</u>	<u>\$ 941,789</u>

	North County Solutions For Change, Inc.	Solutions Family Center, L.P.	Eliminations	Consolidated
<b><u>Unrestricted Net Assets:</u></b>				
<b><u>Support and Revenue:</u></b>				
Contributions	\$ 1,539,916	\$ -	\$ -	\$ 1,539,916
Grants	368,200	-	-	368,200
Rental income	445,710	298,441	(337,200)	406,951
Social enterprise	73,995	-	-	73,995
Interest and miscellaneous	25,981	21,160	(16,386)	30,755
Net assets released from restriction	163,212	-	-	163,212
Total Support and Revenue	<u>2,617,014</u>	<u>319,601</u>	<u>(353,586)</u>	<u>2,583,029</u>
<b><u>Operating Expenses:</u></b>				
Program services	1,584,272	288,849	(353,586)	1,519,535
Fundraising	217,644	-	-	217,644
Management and general	133,512	17,718	-	151,230
Total Operating Expenses	<u>1,935,428</u>	<u>306,567</u>	<u>(353,586)</u>	<u>1,888,409</u>
Change in Unrestricted Net Assets Before Nonoperating Revenue and (Expenses)	<u>681,586</u>	<u>13,034</u>	<u>-</u>	<u>694,620</u>
<b><u>Nonoperating Revenue and (Expenses):</u></b>				
Excess (deficit) of support and revenue over expenses of subsidiary	(255,639)	-	258,221	2,582
Depreciation	(104,503)	(158,554)	-	(263,057)
Interest - residual receipts debt	(27,436)	(112,701)	-	(140,137)
Total Nonoperating Revenue and (Expenses)	<u>(387,578)</u>	<u>(271,255)</u>	<u>258,221</u>	<u>(400,612)</u>
Change in Unrestricted Net Assets	<u>294,008</u>	<u>(258,221)</u>	<u>258,221</u>	<u>294,008</u>
<b><u>Temporarily Restricted Net Assets:</u></b>				
Contributions	158,901	-	-	158,901
Net assets released from restrictions	(163,212)	-	-	(163,212)
Change in Temporarily Restricted Net Assets	<u>(4,311)</u>	<u>-</u>	<u>-</u>	<u>(4,311)</u>
Net Assets at Beginning of Year	<u>946,511</u>	<u>92,213</u>	<u>(92,213)</u>	<u>946,511</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,236,208</u>	<u>\$ (166,008)</u>	<u>\$ 166,008</u>	<u>\$ 1,236,208</u>

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing and Urban Development:</b>		
<b>Direct Programs:</b>		
Emergency Solutions Grants Program	14.231	\$ 197,553
Supportive Housing Program	14.235	25,299
Total Direct Programs		<u>222,852</u>
<b>Pass-Through Programs:</b>		
Community Development Block Grants/Entitlement Grants:	14.218	
City of Vista		7,420
County of San Diego Department of Housing and Community Development		472,556
Total Community Development Block Grants/Entitlement Grants		<u>479,976</u>
Emergency Solutions Grants Program:	14.231	
County of San Diego Department of Housing and Community Development		48,568
Shelter Plus Care :	14.238	
County of San Diego Department of Housing and Community Development		177,246
HOME Investment Partnerships Program:	14.239	
County of San Diego Department of Housing and Community Development		2,376,078
Neighborhood Stabilization Program (Recovery Act Funds):	14.256	
County of San Diego Department of Housing and Community Development		2,294,761
Total Pass-Through Programs		<u>5,376,629</u>
Total U.S. Department of Housing and Urban Development		<u>5,599,481</u>
<b>Department of the Treasury:</b>		
<b>Pass-Through Programs:</b>		
Community Development Financial Institutions Program:	21.020	
Corporation for Supportive Housing		50,000
Total Department of the Treasury		<u>50,000</u>
Total Expenditures of Federal Awards		<u>\$ 5,649,481</u>

### **Note - Basis of Presentation**

The schedule of expenditures of federal awards includes the federal grant activity of North County Solutions for Change, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

**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***

To the Board of Directors  
North County Solutions for Change, Inc.

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 consolidated financial statements of North County Solutions for Change, Inc., which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated May 13, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered North County Solutions for Change, Inc.'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of North County Solutions for Change, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of North County Solutions for Change, Inc.'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 consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether North County Solutions for Change, Inc.'s consolidated 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.

Leaf & Cole LLP

San Diego, California  
May 13, 2013



**Independent Auditor's Report on Compliance  
for Each Major Program and on Internal Control Over  
Compliance Required by OMB Circular A-133**

To the Board of Directors  
North County Solutions for Change, Inc.

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

We have audited North County Solutions for Change, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of North County Solutions for Change, Inc.'s major federal programs for the year ended December 31, 2012. North County Solutions for Change, Inc.'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 North County Solutions for Change, Inc.'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 North County Solutions for Change, Inc.'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 North County Solutions for Change, Inc.'s compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, North County Solutions for Change, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

### **Report on Internal Control Over Compliance**

Management of North County Solutions for Change, Inc. 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 North County Solutions for Change, Inc.'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 OMB Circular A-133, 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 North County Solutions for Change, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Leaf & Cole LLP*

San Diego, California  
May 13, 2013

**Section I - Summary of Auditor's Results:****Financial Statements**

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes ☒ NoSignificant deficiencies identified not considered  
to be material weaknesses?☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No**Federal Awards**Type of auditor's report issued on compliance  
for major programs:

Unqualified

Internal control over major programs:

Material weakness(es) identified?

☐ Yes ☒ None reportedSignificant deficiency identified not considered  
to be material weakness(es)?☐ Yes ☒ NoAny audit findings disclosed that are required to be reported  
in accordance with Circular A-133, Section .510(a)?☐ Yes ☒ No

Identification of major programs:

**CDFA Number(s)**

14.239

14.238

HOME Investment Partnerships Program  
Shelter Plus CareDollar threshold used to distinguish between  
Type A and Type B programs:\$ 300,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No**Section II - Financial Statement Findings:**

None

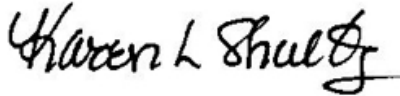
**Section III - Federal Award Findings and Questioned Costs:**None

There were no prior audit findings for North County Solutions for Change, Inc. relative to federal awards.



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

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

<b>Project Name:</b> Training Expansion <b>Date Submitted:</b> 12/27/2013	<b>Total # of people served:</b> 52 <b>Total # of San Marcos residents served:</b> 2 individuals plus 1 facility	<b>Amount Requested:</b> \$ 5,930
<b>Non-Profit Organization Name and Address, Website</b> Tender Loving Canines Assistance Dogs, Inc. 1250 Activity Drive, Ste. A Vista, CA 92081 <a href="http://www.TenderLovingCanines.org">www.TenderLovingCanines.org</a>		<b>Contact Person – Name, Title &amp; Phone, email</b> Alan Berlin, Business Operations Manager Phone: 858-461-8054 Email: <a href="mailto:alan@tlcad.org">alan@tlcad.org</a>
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>Tender Loving Canines Assistance Dogs (TLCAD) provides Service Dogs to children on the autism spectrum and Wounded Warriors with PTSD, traumatic brain injury and/or other disabilities. Currently, we have an applicant pool of over 30 individuals, to address this demand we are trying to increase the number of dogs in training. In 2014 we plan to acquire 6 dogs, 2 to replace graduates and 4 new ones, to bring the total number of dogs in training to 11. The funds you provide will help us acquire the new dogs, maintain care and training for all our dogs.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>Two San Marcos residents currently have Service Dogs that have been placed from our program. In addition, we have placed a Facility Dog at The Training, Education and Research Institute (TERI) that works with multiple individuals. We follow up with these clients on a regular basis for the life of the dog. We also have one applicant from San Marcos for our Leash-On-Life program. Because our placement is based on matching a dog and client with the appropriate skill set we cannot guarantee placement this year, but your grant would go towards helping this client obtain a Service Dog. Although we have a large pool of applicants we are seeking additional Wounded Warriors at this time and would like to work with the City in our outreach program.</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. Signature of President or Authorized Officer on Application- <i>If using a fiscal sponsor, the signature must come from the President or an Authorized Officer of that organization.</i></li></ol> <p><b>6. Regular Grants Only:</b></p> <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. Optional: letters of support</li></ol>		<p><b>Expected date project will begin/end:</b> 1/2/14</p> <p><b>Date by which funds will be expended:</b> 12/31/14</p> <p><b>Signature of President or Authorized Officer</b></p> <div style="text-align: center;"> 12/27/2013</div> <div style="display: flex; justify-content: space-between;"><div><b>Name, Title</b> President</div><div><b>Date</b></div></div> <p><b>Submit Via Mail, In Person or Via Email to:</b> San Marcos Community Foundation c/o City of San Marcos 1 Civic Center Drive San Marcos, CA 92069 Email (PDF Format): <a href="mailto:wkaserman@san-marcos.net">wkaserman@san-marcos.net</a></p>

**SAN MARCOS COMMUNITY FOUNDATION**  
**Budget Worksheet**

Provide an itemized list of expenses for this project:

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

Purchase 6 puppies, 2 replacement, 4 new	\$ 3,600.00
Food for dogs, \$60/month/dog	\$7,260.00
Dog grooming, \$15/month/dog	\$1,815.00
Supplies, vests, training equipment	\$ 1,870.00
Veterinary-monthly \$30/pup,\$60/dog,\$500 emergency	\$24,585.00
Training center, rent	\$ 11,790.00
Utilities	\$ 1,010.00
	\$
Note: This is a one year, 2014, budget. It is based	\$
on growing our dogs in training from 7 to 11 with 2	\$
graduating dogs being replaced and 4 new ones added.	\$
	\$
	\$

**Total budget for this PROJECT:** \$51,930.00

**Grant Request Amount:** \$ 5,930.00  
(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).

\$ 30,000.00	(Name of source)	Kushner Foundation	**	C
\$ 16,000.00	(Name of source)	Public (individual) donations	**	P
\$	(Name of source)		**	
\$	(Name of source)		**	

## Tender Loving Canines Assistance Dogs, Inc

## Proposed Budget 2014

Account	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
<b>Income</b>													
43300 Direct Public Grants													
43310 Corporate & Business Grants	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	2,000.00
43330 Foundation & Trust Grants	70,000.00	15,560.00	5,000.00	0.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00	0.00	105,560.00
Total 43300 Direct Public Grants	70,500.00	15,560.00	5,000.00	500.00	0.00	15,000.00	500.00	0.00	0.00	500.00	0.00	0.00	107,560.00
43400 Direct Public Support													
43410 Corporate Contributions	500.00	0.00	500.00	0.00	500.00	0.00	500.00	0.00	500.00	0.00	500.00	0.00	3,000.00
43450 Indivd & Bus Contributions	2,000.00	3,000.00	5,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	5,000.00	5,000.00	5,000.00	50,000.00
Total 43400 Direct Public Support	2,500.00	3,000.00	5,500.00	4,000.00	4,500.00	4,000.00	4,500.00	4,000.00	4,500.00	5,000.00	5,500.00	5,000.00	53,000.00
45000 Investment Income													
45030 Interest-Savings	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	48.00
Total 45000 Invest Income	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	48.00
47200 Program Income													
47250 Certification Program Fees	40,000.00	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00	90,000.00
47250 Fees for Dogs	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	20,000.00
Total 47200 Program Income	40,000.00	0.00	0.00	0.00	0.00	20,000.00	50,000.00	0.00	0.00	0.00	0.00	0.00	110,000.00
<b>TOTAL INCOME</b>	<b>113,004.00</b>	<b>18,564.00</b>	<b>10,504.00</b>	<b>4,504.00</b>	<b>4,504.00</b>	<b>39,004.00</b>	<b>55,004.00</b>	<b>4,004.00</b>	<b>4,504.00</b>	<b>5,504.00</b>	<b>5,504.00</b>	<b>5,004.00</b>	<b>270,608.00</b>
<b>Expenses</b>													
60920 Business Registration Fees	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00
Total 60920 Bus Reg Fees	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00
61000 Dog Related													
61100 TLCAD Owned Dogs													
61120 Dog Acquisition	0.00	0.00	1,200.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	3,600.00
61130 Dog Food	420.00	420.00	600.00	600.00	600.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	7,260.00
61135 Grooming	105.00	105.00	150.00	150.00	150.00	165.00	165.00	165.00	165.00	165.00	165.00	165.00	1,815.00
61140 Supplies	0.00	0.00	35.00	0.00	0.00	35.00	0.00	0.00	35.00	0.00	0.00	35.00	140.00
61145 Vests & Training Fan. Packs	0.00	0.00	0.00	0.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	0.00	250.00
61155 Veterinary Costs	1,235.00	1,235.00	4,125.00	1,690.00	1,690.00	3,100.00	2,115.00	1,865.00	1,900.00	1,865.00	1,865.00	1,900.00	24,585.00
Total 61100 TLCAD Owned Dogs	1,760.00	1,760.00	6,110.00	2,440.00	2,440.00	6,360.00	3,190.00	2,690.00	2,760.00	2,690.00	2,690.00	2,760.00	37,650.00
61300 Dog Training													
61310 Training Equipment	0.00	0.00	560.00	0.00	0.00	280.00	0.00	0.00	0.00	0.00	0.00	0.00	840.00
61315 Equip Repairs	10.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	40.00
61330 Travel-Training	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Total 61300 Dog Training	60.00	50.00	610.00	60.00	50.00	330.00	60.00	50.00	50.00	60.00	50.00	50.00	1,480.00

## Tender Loving Canines Assistance Dogs, Inc

## Proposed Budget 2014

61500 Trainer Education													
61510 Books & CDs	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	180.00
61515 Conferences & Conventions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	300.00
61530 Teaching Supplies	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00
Total 61500 Trainer Education	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	325.00	25.00	25.00	25.00	600.00
61700 Promotional													
61710 Brochures	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	600.00
61720 Business Cards	25.00	0.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00
61725 Fundraising Costs	75.00	0.00	0.00	75.00	0.00	0.00	75.00	0.00	0.00	75.00	0.00	0.00	300.00
61732 Event Costs		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
61755 Program Marketing	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	480.00
61770 Supplies	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
61780 Website	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	210.00	2,520.00
Total 61700 Promotional	400.00	300.00	600.00	375.00	300.00	350.00	375.00	300.00	600.00	375.00	300.00	300.00	4,575.00
61800 Board Discretionary													
61812 Board Education	0.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	0.00	250.00	0.00	0.00	500.00
Total 61800 Board Discretionary	0.00	0.00	0.00	250.00	0.00	0.00	0.00	0.00	0.00	250.00	0.00	0.00	500.00
62800 Facilities & Equipment													
61143 Training Site Rental	982.50	982.50	982.50	982.50	982.50	982.50	982.50	982.50	982.50	982.50	982.50	982.50	11,790.00
62810 Depr & Amort Allowable	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
62835 Facility Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
62845 Furniture & Equip<\$500	0.00	0.00	50.00	0.00	0.00	50.00	0.00	0.00	50.00	0.00	0.00	50.00	200.00
62855 Hosting & Kitchen Supplies	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00
62895 Utilities	70.00	70.00	70.00	70.00	70.00	80.00	90.00	110.00	130.00	110.00	70.00	70.00	1,010.00
65065 Security Services	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	624.00
Total 62800 Facilities & Equipment	1,304.50	1,304.50	1,354.50	1,304.50	1,304.50	1,364.50	1,324.50	1,344.50	1,414.50	1,344.50	1,304.50	1,354.50	16,024.00
65000 Office & Operations													
65005 Bank Fees	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
65006 Credit Card/Paypal fees	10.00	10.00	10.00	10.00	250.00	10.00	10.00	10.00	78.00	10.00	250.00	10.00	668.00
65020 Postage & Shipping	0.00	0.00	100.00	400.00	0.00	100.00	0.00	0.00	100.00	100.00	400.00	100.00	1,300.00
65030 Printing & Copying	100.00	0.00	0.00	100.00	0.00	0.00	100.00	0.00	0.00	100.00	0.00	0.00	400.00
65040 Supplies	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
65045 Computer & Software Exp	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
65050 Telephone	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	2,880.00
65060 Office Overhead	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Total 65000 Office & Operations	545.00	445.00	545.00	945.00	685.00	545.00	545.00	445.00	613.00	645.00	1,085.00	545.00	7,588.00
65100 Management													
65120 Insurance													
65122 Directors & Officers	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00



## Tender Loving Canines Assistance Dogs, Inc

## Proposed Budget 2014

65123 Liability	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	1,680.00
65125 Worker's Comp	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	5,400.00
65150 Memberships & Dues	0.00	0.00	150.00	250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
65160 Other Costs	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
Total 65100 Management	685.00	685.00	835.00	935.00	685.00	685.00	685.00	685.00	685.00	685.00	685.00	685.00	8,620.00
67000 Payroll Expenses													
67100 Wages	13,147.69	12,827.69	12,827.69	12,827.69	19,001.54	12,827.69	12,827.69	12,827.69	12,827.69	19,241.54	12,827.69	12,827.69	166,840.00
67200 Payroll Taxes	1,314.77	1,282.77	1,282.77	1,282.77	1,900.15	1,282.77	1,282.77	1,282.77	1,282.77	1,924.15	1,282.77	1,282.77	16,684.00
Total 67000 Payroll Expenses	14,462.46	14,110.46	14,110.46	14,110.46	20,901.69	14,110.46	14,110.46	14,110.46	14,110.46	21,165.69	14,110.46	14,110.46	183,524.00
TOTAL EXPENSES	19,241.96	18,679.96	24,339.96	20,444.96	26,391.19	23,769.96	20,314.96	19,649.96	20,557.96	27,240.19	20,249.96	19,829.96	260,711.00
NET INCOME	93,762.04	-115.96	-13,835.96	-15,940.96	-21,887.19	15,234.04	34,689.04	-15,645.96	-16,053.96	-21,736.19	-14,745.96	-14,825.96	9,897.00



Exempt Organizations Select Check

[Exempt Organizations Select Check Home](#)

Organizations Eligible to Receive Tax-Deductible Contributions (Pub. 78 data) - Search Results

The following list includes tax-exempt organizations that are eligible to receive tax-deductible contributions. Click on the "Deductibility Status" column for an explanation of limitations on the deductibility of contributions made to different types of tax-exempt organizations.

Results are sorted by EIN. To sort results by another category, click on the icon next to the column heading for that category. Clicking on that icon a second time will reverse the sort order. Click on a column heading for an explanation of information in that column.

1-1 of 1 results

Results Per Page 25 OK

« Prev | 1-1 | Next »

<a href="#">EIN</a> ▲	<a href="#">Legal Name (Doing Business As)</a> ▲	<a href="#">City</a> ▲	<a href="#">State</a> ▲	<a href="#">Country</a> ▲	<a href="#">Deductibility Status</a> ▲
33-0809688	Tender Loving Canines Assistance Dogs	Solana Beach	CA	United States	PC

« Prev | 1-1 | Next »

Return to Search



## Entity Status Letter

Date: 12/10/2013

ESL ID: 3360759468

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

Entity ID: 2131403

Entity Name: TENDER LOVING CANINES, ASSISTANCE DOGS

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

The above information does not necessarily reflect:

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

## Internet and Telephone Assistance

Website: **ftb.ca.gov**

Telephone: 800.852.5711 from within the United States

916.845.6500 from outside the United States

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

# Tender Loving Canines Assistance Dogs, Inc.

## Board of Directors

Karen Shultz – President  
Nurse, retired

Liat Ben-Zur – Vice President  
Senior Director, Qualcomm

Susan White – Secretary

John Geary – Treasurer  
Teacher, Helix Charter School

Sharna Kahn – Board Member  
Director, Technology Integration Group

John Kasser – Board Member

Matthew Lehman – Board Member  
Board Certified Behavior Analyst

## **Tender Loving Canines Assistance Dogs, Inc.**

### **Company Narrative**

#### **WHO WE ARE:**

Tender Loving Canines Assistance Dogs, Inc. (TLCAD) was founded in 1998 to train dogs that could assist people with mobility, seizures, cerebral palsy, Tourette's and hearing issues. Over the years, TLCAD has evolved and changed to focus on the needs of Wounded Warriors and the needs of children and families who have been impacted by autism. The dogs in our program are trained to higher standards than most service dogs; TLCAD is certified by Assistance Dogs International.

Our current program has four components:

**AT-EASE SERVICE DOGS:** This program was developed to help Wounded Warriors who are returning from deployment and have PTSD, traumatic brain injury and/or mobility issues. The dog is trained to reduce hyper-vigilance, interrupt and redirect those behaviors that were acceptable and lifesaving in deployment, but that are not acceptable now in the non-combat setting. The dog can refocus the individual in order to mitigate the anxiety, anger and impatience many veterans experience, as they navigate life in a world they once knew. The goal is to return these warriors to independence, to employment and to restore the family unit.

**LEASH-ON-LIFE SERVICE DOGS:** The world can feel a bit safer and more predictable for a child on the autism spectrum, when accompanied by a Service Dog. TLCAD trains Service Dogs specifically to work with these children and to help them overcome the challenges of sensory overstimulation that they face in their daily life. The service dog assists them to function in school settings, in the community and within their families. For example, TLCAD placed a dog with a seven year old girl who has autism and cerebral palsy. Her mother tearfully reported that she was now able to take her daughter to the local mall, for the first time in seven years, without an incident of the child bolting and running off to escape the overstimulation of the mall setting.

**FACILITY SERVICE DOGS:** In addition to dogs that are trained to assist an individual, TLCAD also trains dogs to serve the needs of many via the Facility Dog Program. These highly specialized dogs touch the lives of children in special needs schools and developmental therapy centers and assist veterans in outpatient clinics at military hospitals, both on and off base. TLCAD has placed Facility Dogs at The Winston School and TERI, where they help several students each day to reach their educational goals

TLCAD CERTIFICATION COURSE: The mission of the TLCAD Certification Course is to serve Wounded Warriors (active duty service members and veterans with post-traumatic stress disorder (PTSD), traumatic brain injury (TBI) and/or mobility issues) that would like to have their current dog or Service Dog improve upon their training and become eligible for certification through an Assistance Dogs International (ADI) accredited organization (TLCAD). This program adheres to ADI's minimum standard for certification of Owner/Private Trainer Trained Assistance Dog Teams. This is a six month course. With this certification, these Service Dogs will be approved to accompany their owners on base and in all public settings.

Additional information is available on our website: [www.TenderLovingCanines.org](http://www.TenderLovingCanines.org)

#### OUR NEED:

We currently have over 30 people on our wait list for Service Dogs, but only 7 dogs in training. Our goal is to expand the number of dogs in training to 11 in 2014 and 15 in 2015. It requires two years for the dogs to reach the level of customized training required to be placed with one of our clients.

As indicated in the budget submitted with this proposal, we have secured a major part of the funding for this expansion. We are confident about achieving the projected level of donations. We are requesting \$5,930 from the San Marcos Community Foundation to ensure that we have all the funds necessary to execute the expansion of this program in order to provide additional Service Dogs to those San Diego County and San Marcos residents in need.

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

Department of the Treasury  
Internal Revenue Service**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**2012****Open to Public Inspection**

<b>A For the 2012 calendar year, or tax year beginning</b> <u>01/01</u> , 2012, and ending <u>12/31</u> , 20 <u>12</u>																			
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>C Name of organization</b> <u>TENDER LOVING CANINES ASSISTANCE DOGS</u></td> </tr> <tr> <td colspan="2">Doing Business As _____</td> </tr> <tr> <td>Number and street (or P.O. box if mail is not delivered to street address) <u>PO Box 1244</u></td> <td>Room/suite _____</td> </tr> <tr> <td colspan="2">City, town or post office, state, and ZIP code <u>Solana Beach, CA 92075</u></td> </tr> <tr> <td colspan="2"><b>F Name and address of principal officer:</b> <u>Karen Shultz</u> <u>PO Box 1244, Solana Beach, CA 92075</u></td> </tr> <tr> <td colspan="2"><b>G Gross receipts \$</b> <u>116,774</u></td> </tr> <tr> <td colspan="2"><b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2"><b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)</td> </tr> <tr> <td colspan="2"><b>H(c)</b> Group exemption number ▶ _____</td> </tr> </table>	<b>C Name of organization</b> <u>TENDER LOVING CANINES ASSISTANCE DOGS</u>		Doing Business As _____		Number and street (or P.O. box if mail is not delivered to street address) <u>PO Box 1244</u>	Room/suite _____	City, town or post office, state, and ZIP code <u>Solana Beach, CA 92075</u>		<b>F Name and address of principal officer:</b> <u>Karen Shultz</u> <u>PO Box 1244, Solana Beach, CA 92075</u>		<b>G Gross receipts \$</b> <u>116,774</u>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)		<b>H(c)</b> Group exemption number ▶ _____	
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<b>H(c)</b> Group exemption number ▶ _____																			
<b>I Tax-exempt status:</b> <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>J Website:</b> ▶ <u>tenderlovingcanines.org</u>																			
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ _____																			
<b>L Year of formation:</b> <u>1998</u> <b>M State of legal domicile:</b> <u>CA</u>																			

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b>	Briefly describe the organization's mission or most significant activities: <u>The Organization trains service dogs to assist those with limited abilities including children with autism and wounded warriors.</u>		
	<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>10</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	<b>10</b>
	<b>5</b>	Total number of individuals employed in calendar year 2012 (Part V, line 2a) . . . . .	<b>5</b>	<b>5</b>
	<b>6</b>	Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	<b>50</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 34 . . . . .	<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>135,239</b>	<b>116,301</b>
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	<b>480</b>	<b>0</b>
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .	<b>130</b>	<b>128</b>
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	<b>9,391</b>	<b>345</b>
	<b>12</b>		<b>145,240</b>	<b>116,774</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>0</b>	<b>103,728</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) ▶ <u>6,774</u>		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .	<b>102,936</b>	<b>55,573</b>
	<b>18</b>	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) . . . . .	<b>102,936</b>	<b>159,301</b>
	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12 . . . . .	<b>42,304</b>	<b>-42,527</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>123,150</b>	<b>85,006</b>
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20 . . . . .	<b>2,471</b>	<b>6,854</b>
	<b>22</b>		<b>120,679</b>	<b>78,152</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

John Sherman, Treasurer

Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . ☐ Yes ☐ No**For Paperwork Reduction Act Notice, see the separate instructions.**

Cat. No. 11282Y

Form **990** (2012)



**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☐

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

The Organization trains service dogs to assist those with limited abilities including children with autism and wounded warriors.

- 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 \$
- 118,542
- including grants of \$
- 0
- ) (Revenue \$
- 345
- )

The Organization trains service dogs to assist those with limited abilities including children with autism and wounded warriors.

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

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

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

(Expenses \$ 0 including grants of \$ 0 ) (Revenue \$ 0 )

- 4e**
- Total program service expenses
- 118,542**



## About Our Financials:

Our fiscal year ends December 31, in order to meet the deadline for submission we cut off the following financial reports on December 20, 2013. We hope to submit updated financials before the end of January, if permissible. This would also include our 2013 Form 990.

We appreciate your patience and understanding.

# Tender Loving Canines Assistance Dogs, Inc.

## Profit & Loss

January 1 - December 20, 2013

	Total
<b>Income</b>	
43300 Direct Public Grants	
43310 Corporate and Business Grants	500.00
43330 Foundation and Trust Grants	120,750.00
<b>Total 43300 Direct Public Grants</b>	<b>121,250.00</b>
43400 Direct Public Support	
43410 Corporate Contributions	5,000.00
43450 Individ, Business Contributions	61,465.20
<b>Total 43400 Direct Public Support</b>	<b>66,465.20</b>
45000 Investments	
45030 Interest-Savings, Short-term CD	48.43
<b>Total 45000 Investments</b>	<b>48.43</b>
46400 Other Types of Income	21.25
47200 Program Income	
47205 Application Fees	200.00
<b>Total 47200 Program Income</b>	<b>200.00</b>
Shipping Income	18.02
<b>Total Income</b>	<b>\$188,002.90</b>
<b>Gross Profit</b>	<b>\$188,002.90</b>
<b>Expenses</b>	
60900 Business Expenses	
60920 Business Registration Fees	183.95
60935 Fines, Penalties, Judgments	1,360.00
<b>Total 60900 Business Expenses</b>	<b>1,543.95</b>
61000 Dog Related	
61100 TLCAD Owned Dogs	
61120 Dog Acquisition	2,000.00
61130 Dog Food	4,404.57
61135 Grooming	803.30
61140 Supplies	416.32
61145 Vests & Training Fanny Packs	1,490.35
61150 Veterinary Insurance	19.44
61155 Veterinary Costs	7,918.58
<b>Total 61100 TLCAD Owned Dogs</b>	<b>17,052.56</b>
61300 Dog Training	
61310 Training Equipment	663.02
61315 Equip Repairs	32.46
61320 Training Supplies	244.10
61330 Travel-Training	517.00
<b>Total 61300 Dog Training</b>	<b>1,456.58</b>

SMCF Feb 18\_Item 2 Page 71 of 83

<b>61500 Trainer Education</b>	
61510 Books & CDs	169.95
61515 Conferences & Conventions	220.00
61530 Teaching Supplies	89.47
<b>Total 61500 Trainer Education</b>	<b>479.42</b>
<b>61700 Promotional</b>	
61710 Brochures	376.92
61720 Business Cards	30.00
61725 Fundraising Costs	397.27
61732 Event Costs	50.00
61755 Program Marketing	420.91
61770 Supplies	79.63
61780 Website	2,747.71
<b>Total 61700 Promotional</b>	<b>4,102.44</b>
<b>Total 61000 Dog Related</b>	<b>23,091.00</b>
<b>61800 Board Discretionary</b>	
61812 Board Education	6,867.00
61820 Grooming	250.00
<b>Total 61800 Board Discretionary</b>	<b>7,117.00</b>
<b>62100 Contract Services</b>	
62130 Fundraising Fees	18.00
<b>Total 62100 Contract Services</b>	<b>18.00</b>
<b>62800 Facilities and Equipment</b>	
61143 Training Site Rental	10,667.14
62810 Depr and Amort - Allowable	900.00
62835 Facility Supplies	1,496.10
62845 Furniture & Equipment < \$500	1,316.15
62855 Hosting & Kitchen Supplies	376.54
62895 Utilities	1,002.91
65065 Security Services	568.91
<b>Total 62800 Facilities and Equipment</b>	<b>16,327.75</b>
<b>65000 Office and Operations</b>	40.00
65005 Bank Fees	183.81
65006 PayPal Fees	14.71
65015 Late Fees	78.64
65020 Postage, Mailing Service	269.47
65030 Printing and Copying	398.64
65040 Supplies	3,176.26
65045 Computer & Software Expense	1,811.30
65050 Telephone, Telecommunications	2,281.66
65060 Office Overhead	800.00
<b>Total 65000 Office and Operations</b>	<b>9,054.49</b>
<b>65100 Management</b>	-32.69
65110 Data Storage	40.00
65120 Insurance	
65122 Directors & Officers	1,221.03
65123 Liability	613.72
<b>65125 Workers' Comp Insurance</b>	<b>9,365.13</b>

<b>Total 65120 Insurance</b>	<b>11,199.88</b>
<b>65150 Memberships and Dues</b>	400.00
<b>65160 Other Costs</b>	231.84
<b>Total 65100 Management</b>	<b>11,839.03</b>
<b>65200 Other Types of Expenses</b>	
<b>65130 Interest Expense - General</b>	-78.64
<b>Total 65200 Other Types of Expenses</b>	<b>-78.64</b>
<b>67000 Payroll Expenses</b>	
<b>67100 Wages</b>	112,838.67
<b>67200 Payroll Taxes</b>	10,243.51
<b>Total 67000 Payroll Expenses</b>	<b>123,082.18</b>
<b>Total Expenses</b>	<b>\$191,994.76</b>
<b>Net Operating Income</b>	<b>\$ -3,991.86</b>
<b>Other Expenses</b>	
<b>Reconciliation Discrepancies-1</b>	0.70
<b>Total Other Expenses</b>	<b>\$0.70</b>
<b>Net Other Income</b>	<b>\$ -0.70</b>
<b>Net Income</b>	<b>\$ -3,992.56</b>

Monday, Dec 23, 2013 01:06:31 PM PST GMT-8 - Accrual Basis

# Tender Loving Canines Assistance Dogs, Inc.

## Balance Sheet

As of December 20, 2013

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
10100 Union Bank Checking	20,406.76
10150 Union Bank Money Market	43,132.24
10200 TLCAD Vet Checking	0.00
10250 TLCAD Vet MM	0.00
10300 Integrated Campaign MM	5,126.83
10350 Integrated Campaign Checking	0.00
10400 Network for Good	187.00
10500 PayPal	11.62
<b>Total Bank Accounts</b>	<b>\$68,864.45</b>
<b>Accounts Receivable</b>	
11000 Accounts Receivable	0.00
<b>Total Accounts Receivable</b>	<b>\$0.00</b>
<b>Other current assets</b>	
12000 Undeposited Funds	10.00
13000 Prepaid Expenses	0.00
<b>Total Other current assets</b>	<b>\$10.00</b>
<b>Total Current Assets</b>	<b>\$68,874.45</b>
<b>Fixed Assets</b>	
<b>15000 Fixed Assets</b>	
15100 Computer Equipment	9,703.82
15200 Furniture & Fixtures	2,200.00
<b>Total 15000 Fixed Assets</b>	<b>11,903.82</b>
<b>17000 Accumulated Depreciation</b>	
17100 Accum Depr - Computer Equipment	-1,439.10
<b>Total 17000 Accumulated Depreciation</b>	<b>-1,439.10</b>
<b>Total Fixed Assets</b>	<b>\$10,464.72</b>
<b>Other Assets</b>	
18700 Security Deposits	982.50
18800 Dogs In Training	0.00
<b>Total Other Assets</b>	<b>\$982.50</b>
<b>TOTAL ASSETS</b>	<b>\$80,321.67</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20000 Accounts Payable	1,050.14
43445 Gifts in Kind services	0.00

<b>Total 20000 Accounts Payable</b>	<b>1,050.14</b>
<b>Total Accounts Payable</b>	<b>\$1,050.14</b>
<b>Credit Cards</b>	
22100 First Bankcard	3,330.01
<b>Total Credit Cards</b>	<b>\$3,330.01</b>
<b>Other Current Liabilities</b>	
<b>24150 Payroll Liabilities</b>	
24151 CA PIT / SDI	158.41
24152 CA SUI / ETT	346.60
24153 Federal Taxes (941/944)	1,276.93
<b>Total 24150 Payroll Liabilities</b>	<b>1,781.94</b>
24175 Direct Deposit Payable	0.00
24200 Accrued Expenses	0.00
<b>25400 Loans from Officers &amp; Directors</b>	
25410 Personal Loan	0.00
<b>Total 25400 Loans from Officers &amp; Directors</b>	<b>0.00</b>
<b>25800 Unearned or Deferred Revenue</b>	
25801 Temple Grandin Lecture	0.00
<b>Total 25800 Unearned or Deferred Revenue</b>	<b>0.00</b>
<b>Total Other Current Liabilities</b>	<b>\$1,781.94</b>
<b>Total Current Liabilities</b>	<b>\$6,162.09</b>
<b>Total Liabilities</b>	<b>\$6,162.09</b>
<b>Equity</b>	
30000 Opening Bal Equity	0.00
<b>31500 Temporary Restricted Net Assets</b>	<b>0.00</b>
31505 Autism (deleted)	0.00
31508 Gumpert Fund	0.00
31509 Gumpert Fund Insurance	0.00
31510 Gumpert Lab Muffet 07	0.00
31520 Gumpert Libby	0.00
31530 Gumpert Tux	0.00
31540 Kahler Fund	0.00
<b>Total 31500 Temporary Restricted Net Assets</b>	<b>0.00</b>
32000 Unrestricted Net Assets	78,152.14
Net Income	-3,992.56
<b>Total Equity</b>	<b>\$74,159.58</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$80,321.67</b>

Monday, Dec 23, 2013 01:07:32 PM PST GMT-8 - Accrual Basis

ADDITIONAL INFORMATION:

Here is a link to a recent story by KPBS on Tender Loving Canines Assistance Dogs:

<http://www.kpbs.org/news/2013/dec/27/vista-nonprofit-trains-service-dogs-help-wounded-v/>



SAN MARCOS COMMUNITY FOUNDATION  
Grant Cover Page

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

Project Name: Wish Granting	Total # of people served: 190 in FY13	Amount Requested: \$ 1,500
Date Submitted: 12/27/13	Total # of San Marcos residents served: 7 Wish Kids in FY13	
Non-Profit Organization Name and Address, Website Make-A-Wish Foundation of San Diego 2440 Hotel Circle N., Ste. 200 San Diego, CA 92108 sandiego.wish.org	Contact Person – Name, Title & Phone, email Dana Vandersip Vice President of Development (619) 279-5202 dvandersip@wshsandiego.org	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>The mission of Make-A-Wish San Diego is simple yet powerful: We grant the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength and joy. The children we serve range in age from 2 1/2 to 18. Our work is accomplished through a volunteer governing board of directors, a paid staff of 14, and more than 300 dedicated volunteers. It is our purpose to provide every eligible child in our region (San Diego and Imperial Counties) with a life-changing experience that is dramatically different from hospitals and treatments. We request \$1,500 to help offset the cost of granting wishes for children in the San Marcos community who will be referred to us in this current fiscal year (9/1/2013-8/31/2014).</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>A wish offers welcome respite for children and their families - a time of normalcy, fun, joy and laughter that makes a significant impact on the child's and family's ability to cope with the heart-rending hand they've been dealt. Parents of Wish Kids report the process of dreaming of a wish gives their children the strength to take their medications and get through their treatments. Children report the wish provides light during the darkest days, and helps them start living again. The community is often deeply involved and also benefits, as evidenced in stark relief by the news coverage received by San Francisco's "Batkid": <a href="http://www.wimp.com/boybatman/">http://www.wimp.com/boybatman/</a>. While few wishes become quite so famous as Batkid's, all wishes positively impact the connecting circles of a Wish Family's friends, family, schoolmates and coworkers.</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. Signature of President or Authorized Officer on Application- <i>If using a fiscal sponsor, the signature must come from the President or an Authorized Officer of that organization.</i></li><li>6. <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. Optional: letters of support</li></ol></li></ol>		<p>Expected date project will begin/end: 9/1/2013</p> <p>Date by which funds will be expended: 8/31/2014</p> <p>Signature of President or Authorized Officer</p> <p><i>Dana Vandersip</i></p> <p>DANA VANDERSIP 12/27/13 Name, Title VP of Date Development</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:wkaserman@san-marcos.net">wkaserman@san-marcos.net</a></p>



## San Marcos Community Foundation Budget Worksheet

Each child's wish is different; therefore the projected actual budget varies. The average cost of a wish is \$8,000. Sample expenses include transportation, tickets, food, hotel, and merchandise, depending on the wish. San Marcos Community Foundation funds will only be spent on wish costs.

### *Sample Disney World wish budget for Family of Four:*

	Projected Cost	In-Kind Value
Airfare (approx. \$320 p/ticket)	\$1,280.00	
Dining	\$1,100.00	
Souvenirs	\$230.00	
Rental Car (Avis)	\$356.00	\$435.00
Gas & Parking	\$100.00	
Tips	\$20.00	
Give Kids the World Support Fee	\$750.00	
GKTW (meals, lodging, extras)		\$1,517.00
Disney World Passes		\$861.00
Universal Studio Passes		\$498.00
SeaWorld Passes		\$245.00
Limo (\$63/hr x 4 hrs)	\$252.00	\$252.00
Disney Wish Kit		\$100.00
Wish Enhancements	\$100.00	
<b>Total</b>	<b>\$4,188.00</b>	<b>\$3,908.00</b>
<i>Projected Wish Total:</i>		<i>\$8,096.00</i>

### *Sample Backyard Makeover wish budget:*

	Projected Cost	In-Kind Value
Play Structure	\$4,932.00	\$548.00
Delivery & Assembly	\$325.00	\$325.00
Taxes for Play Structure	\$394.00	
Rubber Mulch	\$1,239.00	\$121.00
Wish Day Meals	\$100.00	\$100.00
Wish Day Transportation	\$378.00	\$378.00
Wish Enhancement	\$100.00	
Wish Day Activity: Legoland		\$370.00
<b>Total</b>	<b>\$7,468.00</b>	<b>\$1,842.00</b>
<i>Projected Wish Total:</i>		<i>\$9,310.00</i>

**Total budget for this PROJECT: \$ See above examples; we are requesting grant funds to help defray the cost of any San Marcos wishes granted in our current FY14 fiscal year**

**Grant Request Amount: \$ 1,500**

*(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.) Is this a challenge grant? Could it be?*

We are not requesting a challenge grant. We welcome suggestions on donors to approach in the San Marcos area but otherwise do not have resources to

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

Make-A-Wish Foundation of San Diego has not sought funds specifically for Wish Kids from San Marcos from any other funding entity or individual. As you can see from the sample budgets above, we seek and receive in-kind support for all Disney Wishes and virtually all other types of wishes that make a significant difference in the cash cost of a wish. We also fund our wishes through a combination of support from corporate and foundation entities and individuals, obtained by means of fundraising events, direct mail appeals, and face-to-face solicitations.

## Make-A-Wish San Diego Board of Directors 2013-14

Jane McAuliffe, Ph.D., CHAIR, Executive Vice President/Chief Academic Officer,  
Bridgepoint Education

Jarrold Dillon, VICE CHAIR, Vice President, Corporate Partnerships, San Diego Padres

Melody Thornton, CPA, TREASURER

Katie Pothier, SECRETARY, Partner, Wilson Turner Kosmo LLP

Gary Meads, MEMBER AT LARGE, President/CEO, MeadsDurket

Jeff Davids, Partner, DavenportMajor Executive Search

Bill Davidson, Senior Vice President, Global Marketing and Investor Relations, Qualcomm

Tom Drake, President/COO, National Technologies Associates, Inc.

Keith Eck, Financial & Insurance Services

Matt Greene, President, 6 Degrees

Richard Kelley, President and General Manager, NBC 7 San Diego

Kurt Kicklighter, California Executive Partner, McKenna, Long & Aldridge, LLP

Denny O'Leary, Vice President of Marketing Partnerships, San Diego Chargers

Gary Palmer, General Manager, Penske Auto Group

Karen Sedgwick Tyler, Director of Supply Management, Sempra Energy Utilities

Jim Steeg, Retired, San Diego Chargers

## Kaserman, Wendy

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**From:** Dana Vandersip [dvandersip@wishesandiego.org]  
**Sent:** Monday, December 30, 2013 3:23 PM  
**To:** Kaserman, Wendy  
**Subject:** Mini-Grant Application from Make-A-Wish Foundation of San Diego  
**Attachments:** MAWSD San Marcos Jan 2014.jpg; San Marcos Project Budget Jan 2014.docx; Board List FY14.docx

Dear Ms. Kaserman,

I'm pleased to submit an application for support from Make-A-Wish Foundation of San Diego. I've attached the application for a Mini-Grant, along with a project budget and our list of current Board of Directors. Our Annual Operating Budget is \$3,433,488. Our Tax ID # is 33-0039466. My signature is affixed to the application, which is in PDF form.

Please let me know if you have any questions or require any additional information.

Best wishes,

Dana Vandersip, CFRE  
Vice President, Development  
Make-A-Wish® San Diego  
2440 Hotel Circle North, Suite 200  
San Diego, CA 92108

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[dvandersip@wishesandiego.org](mailto:dvandersip@wishesandiego.org)

619-279-5202

Fax: 858-707-9480

[sandiego.wish.org](http://sandiego.wish.org) | [Facebook](#) | [Twitter](#) | [YouTube](#)

To donate your airline miles to Make-A-Wish® San Diego today:



Women Inspiring Strength & Hope for Make-A-Wish® San Diego

**From:** [Dana Vandersip](#)  
**To:** [Kaserman, Wendy](#)  
**Subject:** RE: Mini-Grant Application from Make-A-Wish Foundation of San Diego  
**Date:** Monday, December 30, 2013 4:45:46 PM

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Hi again, Wendy,

Since the year 2000 (when we converted to our new database), we have provided Wishes to 45 children from San Marcos. The annual breakdown is as follows:

2013	4
2012	7
2011	4
2010	5
2009	4
2008	6
2007	1
2006	1
2005	5
2004	1
2003	1
2002	1
2001	3
2000	2

These numbers reflect that the children had their Wishes *come true*. We have 10 children from San Marcos who are in the process of getting their Wishes, which begins with a Referral and ends with the Wish. There's no deadline for a Wish to be completed. The only parameter is that the referral has to happen before a child turns 18.

Also, to put this in context, we serve children who come from all of San Diego and Imperial Counties, and in the last fiscal year we granted 190 wishes. The year before we granted 187. I hope this information is helpful?

Stay tuned for that State Tax ID #.

Thanks so much,

Dana

Dana Vandersip, CFRE  
Vice President, Development  
Make-A-Wish® San Diego  
2440 Hotel Circle North, Suite 200  
San Diego, CA 92108

**SMCF Resolution No 2014-121**

**A RESOLUTION OF THE SAN MARCOS COMMUNITY FOUNDATION  
BOARD OF DIRECTORS AUTHORIZING THE AWARD OF GRANT  
MONIES TO CERTAIN NON-PROFIT ORGANIZATION APPLICANTS**

**-- WINTER QUARTER 2014 --**

**WHEREAS**, the San Marcos Community Foundation Board of Directors is authorized, pursuant to its adopted articles and bylaws, to entertain proposals for non-profit activities from qualified public and charitable groups; and

**WHEREAS**, a total of three (3) proposals were received by the Foundation prior to the December 31, 2013, submittal deadline established for the 2014 winter quarter; and

**WHEREAS**, the Board of Directors did, at its quarterly meeting on February 18, 2014, consider such proposals and oral arguments pertaining to such proposals in a public meeting duly advertised and held in the manner required by law.

**NOW, THEREFORE, BE IT RESOLVED**, that the San Marcos Community Foundation Board of Directors does hereby authorize funding of the following grant proposals in the amounts specified:

<u>REQUESTING ORGANIZATION</u>	<u>GRANT AWARD</u>
San Marcos Unified School District	\$5,000
Solutions for Change	\$7,000
Tender Loving Canines Assistance Dogs, Inc.	<u>\$2,000</u>
	\$14,000

**BE IT FURTHER RESOLVED**, that actual award of the above grants shall be contingent upon satisfactory compliance with all preconditions to funding specified.

**BE IT FURTHER RESOLVED**, that the Board's decision is based upon its determination that the above-referenced requests meet applicable legal requirements for funding as a non-profit activity and conform to Foundation policies pertaining to grant awards.

**PASSED AND ADOPTED** by the San Marcos Community Foundation Board of Directors, at a regular meeting thereof, this 18<sup>th</sup> day of February, 2014, by the following roll call vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

**APPROVED:**

\_\_\_\_\_  
Colleen Lukoff, President

**ATTEST:**

\_\_\_\_\_  
Donna J. French, Secretary

I certify that the foregoing Resolution was duly adopted by the San Marcos Community Foundation Board of Directors on February 18, 2014.

Dated: \_\_\_\_\_

Wendy Kaserman, Recording Secretary

**SMCF Resolution No 2014-122**

**A RESOLUTION OF THE SAN MARCOS COMMUNITY FOUNDATION  
BOARD OF DIRECTORS FORMING AN ADVISORY COMMITTEE, ESTABLISHING THE SELECTION  
PROCESS FOR ADVISORY COMMITTEE MEMBERS, A TERM OF OFFICE FOR ADVISORY COMMITTEE  
MEMBERS AND AN ADVISORY COMMITTEE MEETING SCHEDULE**

**WHEREAS**, the San Marcos Community Foundation Board of Directors approved revisions to the San Marcos Community Foundation Bylaws on November 21, 2006 that gave the Board of Directors the authority to create advisory committees to serve at the pleasure of the Board; and

**WHEREAS**, per the bylaws, to form an advisory committee, a resolution must be adopted by a majority of the San Marcos Community Foundation Board of Directors; and

**WHEREAS**, beginning in 2007 the San Marcos Community Foundation Board of Directors discussed the recruitment and selection of Advisory Committee members and developed a job description for individuals serving on the Advisory Committee, however the formal vote and passage of a resolution to create the Advisory Committee is not reflected on any meeting agendas or in any meeting minutes; and

**WHEREAS**, the San Marcos Community Foundation Board of Directors desires to utilize an advisory committee for the purposes outlined in the bylaws including providing input about community needs and emerging trends potentially impacting San Marcos and its residents, offering advice and counsel on the San Marcos Community Foundation's need, and promoting awareness about the San Marcos Community Foundation;

**NOW, THEREFORE, BE IT RESOLVED**, that the San Marcos Community Foundation Board of Directors does hereby create an advisory committee as authorized by Section 7.14 of the San Marcos Community Foundation Bylaws.

**BE IT FURTHER RESOLVED**, that any member of the Board of Directors can nominate candidates for appointment to the Advisory Committee. The President will appoint all Advisory Committee members.

**BE IT FURTHER RESOLVED**, the Advisory Committee shall consist of no less than 3 members and shall be chaired by the President of the Board of Directors or the Vice President of the Board of Directors in the President's absence.

**BE IT FURTHER RESOLVED**, Advisory Committee members shall not have set terms but rather serve at the pleasure of the President or until the Advisory Committee member chooses to withdraw from participation.

**BE IT FURTHER RESOLVED**, the Advisory Committee shall meet quarterly at 4:30pm immediately prior to the San Marcos Community Foundation Board of Directors' meetings on the third Tuesday of February, May, August and November.

**PASSED AND ADOPTED** by the San Marcos Community Foundation Board of Directors, at a regular meeting thereof, this 18<sup>th</sup> day of February, 2014, by the following roll call vote:

AYES: BOARD MEMBERS:  
NOES: BOARD MEMBERS:  
ABSENT: BOARD MEMBERS:

**APPROVED:**

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Colleen Lukoff, President

**ATTEST:**

---

Donna J. French, Secretary

I certify that the foregoing Resolution was duly adopted by the San Marcos Community Foundation Board of Directors on February 18, 2014.

Dated:

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Wendy Kaserman, Recording Secretary



**MINUTES  
SAN MARCOS COMMUNITY FOUNDATION  
COUNCIL CHAMBER  
1 CIVIC CENTER DRIVE  
SAN MARCOS, CA 92069**

**REGULAR MEETING NOVEMBER 19, 2013**

**CALL TO ORDER:** BOARD PRESIDENT LUKOFF called the meeting to order at 6:05 p.m.

**PLEDGE OF ALLEGIANCE:** BOARD MEMBER WASCO led the Pledge of Allegiance.

**ROLL CALL:**

PRESENT: BOARD MEMBERS: BURTON, HALL, LUKOFF, MICAL, NAJERA, WASCO, WILLIAMS

ABSENT: BOARD MEMBERS: NONE

**ALSO PRESENT:** Board Secretary, Donna French  
Recording Secretary, Wendy Kaserman

**OLD BUSINESS**

**1. PRESIDENT'S REPORT**

BOARD PRESIDENT LUKOFF provided a report. She briefly discussed the first Advisory Board meeting held immediately prior to the Board meeting and mentioned the Board would be considering possible action on some of the items discussed later on the agenda. She also talked about recent discussions with the San Diego Grant Makers and the potential value of bringing together local non-profits for a discussion on general topics with no specific agenda. She also discussed the recent North County Philanthropy Council luncheon where Tanis Brown was recognized.

**2. SMCF GRANT FUNDING COMMITTEE RECOMMENDATION**

BOARD PRESIDENT LUKOFF introduced the Grant Funding Committee recommendations and asked BOARD MEMBER NAJERA to review the details of the recommendations. BOARD MEMBER NAJERA mentioned that three regular grant applications had been received, but the Grant Funding Committee Members determined that the Red Cross request was not as compelling as the other two requests and choose instead to recommend funding for the other two regular grants.

BOARD PRESIDENT LUKOFF also mentioned that a mini-grant application had been received from Fan of the Feather, but the Grant Funding Committee members needed additional information prior to making a decision on the request and therefore consideration of that application had been deferred to the January Grant Funding Committee meeting.

**VICE PRESIDENT WILLIAMS MOTIONED TO APPROVE RESOLUTION 2013-119 TO APPROVE FUNDING FOR MEALS-ON-WHEELS IN THE AMOUNT OF \$7,000 AND FUNDING FOR JUST IN TIME FOR FOSTER YOUTH IN THE AMOUNT OF \$5,000. BOARD**

**MEMBER BURTON SECONDED THE MOTION. THE MOTION PASSED BY UNANIMOUS VOICE VOTE.**

### **NEW BUSINESS**

#### **3. GRANTMAKING POLICY REVIEW**

BOARD PRESIDENT LUKOFF introduced this item. She reminded the Board that this item was initially brought up at the August Board meeting and members were asked to provide comments to staff if they had changes they wanted to propose. She said the Board was under no obligation to adopt changes tonight if there were items that required additional discussion before action was taken. BOARD PRESIDENT LUKOFF asked Ms. Kaserman to review the proposed changes. Ms. Kaserman explained that the majority of the proposed changes involved updating the document to reflect current practices and programs. She said that based on the Board's discussion in August, she had not made any changes to the document that would narrow the types of projects the Foundation funds. Rather the definition remains broad giving the Foundation the flexibility to approve or deny funding requests based on the merit of the application. Key changes include accepting applications electronically and asking organizations to recognize the San Marcos Community Foundation in printed and on-line material. Additional changes include the addition of information about the San Marcos- Now and Forever campaign and an increase to the amount of funds the City can have on hand to prepare checks for grant recipients.

There were no questions about the majority of the proposed changes. There was a limited discussion about the amount of funds the City should maintain on hand.

**VICE PRESIDENT WILLIAMS MOTIONED TO APPROVE RESOLUTION 2013-120 ACCEPTING THE PROPOSED CHANGES TO THE GRANTMAKING POLICY DOCUMENT THE MOTION WAS SECONDED BY BOARD MEMBER BURTON. THE MOTION PASSED BY UNANIMOUS VOICE VOTE.**

#### **4. REVIEW OF ADVISORY BOARD RECOMMENDATIONS**

BOARD PRESIDENT LUKOFF initiated the discussion by explaining the possible changes the Advisory Committee discussed regarding the Public Art in Lieu Fund. It was suggested the Foundation approach the City about taking over management of the Public Art in Lieu funds and invest available funds with the Jewish Community Foundation. This would potentially achieve two positive outcomes both increasing the endowment and also increasing funds available for grantmaking. Staff mentioned this item would need to be researched since the funds are collected from developers for a specific purpose. Staff was unsure about the ability to comingle funds for investment purposes. Questions also came up from board members as to whether the increased interest earnings would be dedicated to arts and cultural projects or if they could potentially go to more general grantmaking.

**BOARD MEMBER HALL MOTIONED TO HAVE STAFF EXPLORE AND REPORT BACK ON THE POSSIBILITY OF THE FOUNDATION TAKING OVER MANAGEMENT OF THE PUBLIC**

**ART IN LIEU FUND AND REPORT BACK AT THE NEXT BOARD MEETING. VICE PRESIDENT WILLIAMS SECONDED THE MOTION. THE MOTION PASSED BY UNANIMOUS VOICE VOTE.**

The next Advisory Board idea the Board discussed involved an event in conjunction with the San Marcos Chamber of Commerce. BOARD PRESIDENT LUKOFF mentioned the earlier topic of convening local non-profits and that the meeting would potentially be more successful if it was part of a special event such as the taste of non-profits event that ADVISORY BOARD MEMBER KILDOO brought up that's being planned for the March-May timeframe. The Board discussed some potential venues. Several board members expressed support for the concept.

**VICE PRESIDENT WILLIAMS MOTIONED FOR THE BOARD TO BE INVOLVED IN PLANNING AND EXECUTING THE EVENT, BOARD MEMBER BURTON SECONDED THE MOTION. THE MOTION PASSED BY UNANIMOUS VOICE VOTE.**

BOARD MEMBERS WASCO and MICAL volunteered to help with the planning efforts.

The final items discussed were focused on the San Marcos-Now and Forever campaign. One idea to launch the campaign was to hold a special recognition event in conjunction with Rotary and other service organizations to both recognize Board Member Burton for his service to Rotary and promote the Now and Forever campaign. BOARD MEMBER BURTON asked for some time to consider this idea.

An additional recommendation from the Advisory Board was to create a higher tier for contributions to the San Marcos-Now and Forever campaign. This item did not require Board action.

BOARD PRESIDENT LUKOFF mentioned that the Advisory Board had agreed to meet quarterly immediately prior to the Board meetings. There were some questions about Advisory Board membership. Colleen mentioned that the committee could grow in the future if Board Members had suggestions about who would be good additions to the Advisory Board.

### **CONSENT CALENDAR**

**VICE PRESIDENT WILLIAMS noted that a correction was needed to Item 7. Her name was misspelled on the tax documents.**

**BOARD MEMBER BURTON MOTIONED TO APPROVE THE CONSENT CALENDAR WITH THE CORRECTION TO ITEM 7. BOARD MEMBER WASCO SECONDED THE MOTION. MOTION PASSED BY UNANIMOUS VOICE VOTE.**

5. **WAIVER OF TEXT** WAIVED
6. **APPROVAL OF MINUTES** SMCF Board Meeting, August 20, 2013 - APPROVED
7. **REVIEW OF 2012 FEDERAL 990 FORM** – APPROVED

8. **REPORT: FY13- 14 1<sup>st</sup> QUARTER FUND STATEMENT AND ASSETS AVAILABLE FOR DISTRIBUTION**
9. **REPORT: FY13- 14 1<sup>st</sup> QUARTER SUMMARY OF TRANSACTIONS**
10. **ORAL COMMUNICATIONS**

**ITEMS FOR THE GOOD OF THE ORDER**

11. **MISCELLANEOUS**

- a) Winter Quarter Grant Funding Committee- VICE PRESIDENT WILLIAMS will serve as chair for the next quarter. BOARD MEMBERS WASCO and HALL will serve as the additional committee members. Due to a schedule conflict, the meetings will be moved to 4:30 in January and February.
- b) 2014 meeting schedule- Staff was directed to develop and send out the meeting schedule for the Advisory Board.
- c) BOARD MEMBER HALL asked about the Youth Liaison program. Staff explained the parameters of the program and that the student who had chosen the SMCF had not yet attended a meeting and most likely would not be able to meet the program requirements. BOARD MEMBER Hall also asked about military families and whether or not the Foundation was doing an additional outreach or work in this area. BOARD PRESIDENT LUKOFF discussed her involvement with the San Diego Grant Makers and the program the Foundation has contributed funds toward.

12. **ADJOURNMENT**

**BOARD MEMBER BURTON MOTIONED TO ADJOURN THE MEETING, THE MOTION WAS SECONDED BY BOARD MEMBER MICAL. MOTION PASSED BY UNANIMOUS VOICE VOTE.**

Meeting adjourned at 7:17 p.m.

\_\_\_\_\_  
Wendy Kaserman, Recording Secretary

\_\_\_\_\_  
Colleen Lukoff, President

ATTEST:

\_\_\_\_\_  
Donna French, Board Secretary



Donna French  
San Marcos Community Foundation  
1 Civic Center Drive  
San Marcos, CA 92069-2918

---

## FUND STATEMENT

San Marcos Community Foundation Fund  
For the Quarter Ending 12/31/2013



**Jewish  
Community  
Foundation**  
San Diego

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

**San Marcos Community Foundation Fund**  
**Fund ID: Samm**  
**For the Quarter Ending 12/31/2013**

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### ASSETS AND LIABILITIES

#### Market Value as of 12/31/2013

Long Term Pool

\$ 1,255,366.44

**Total Assets**

\$ 1,255,366.44

**Liabilities and Fund Balance**

Fund Balance

\$ 1,255,366.44

**Total Liabilities and Fund Balance**

\$ 1,255,366.44

### FUND ACTIVITY SUMMARY

	Current Period <u>10/01/2013 - 12/31/2013</u>	Year-To-Date <u>07/01/2013 - 12/31/2013</u>
<b>BEGINNING FUND BALANCE</b>	\$ 1,235,363.07	\$ 1,193,971.62
<b>Contributions</b>		
Additions	\$ 0.00	\$ 0.00
<b>Total Contributions</b>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
<b>Investment Activity</b>		
Interest & Dividends	\$ 9,468.39	\$ 13,111.26
Realized Gains (Losses)	15,626.48	22,239.47
Unrealized Gains (Losses)	24,603.84	74,915.60
Investment Expenses	(302.17)	(595.89)
<b>Total Investment Activity</b>	<u>\$ 49,396.54</u>	<u>\$ 109,670.44</u>
<b>Disbursements</b>		
Custodial Withdrawals	(28,000.00)	(45,500.00)
Foundation Support	(1,393.17)	(2,775.62)
<b>Total Disbursements</b>	<u>\$ (29,393.17)</u>	<u>\$ (48,275.62)</u>
<b>Net Change</b>	20,003.37	61,394.82
<b>ENDING FUND BALANCE</b>	<u><u>\$ 1,255,366.44</u></u>	<u><u>\$ 1,255,366.44</u></u>



Jewish  
Community  
Foundation  
San Diego

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

San Marcos Community Foundation Fund  
Fund ID: Sanm  
For the Quarter Ending 12/31/2013

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## FUND ACTIVITY DETAIL

Custodial Withdrawals	
10/31/2013	Custodial Withdrawal per 10/28/13 Request
12/16/2013	Custodial Withdrawal per 11/26/13 Request
Total Custodial Withdrawals	
	\$ 10,000.00
	18,000.00
	<u>\$ 28,000.00</u>



City of San Marcos Community Foundation  
FY 13/14 Summary of Transactions

204-160100

Date	Check #	Payee	Description	Revenues	Expenditures	Balance
7/1/2013				Beginning Balance		1,195,768.90
<u>SM Community Foundation</u>						
7/11/2013	22793	Twin Oaks Elementary PTO refund	SMCF Grant Award		37.10	
8/6/2013	113517	Meals-On-Wheels City of San Marcos	SMCF Grant Award		(1,500.00)	
8/20/2013	113840	Teri, Inc.	SMCF Grant Award		(1,500.00)	
9/4/2013	114009	Casa De Amparo	SMCF Grant Award		(2,000.00)	
9/4/2013	114068	North County health Services	SMCF Grant Award		(3,780.00)	
9/4/2013	114090	San Marcos High School	SMCF Grant Award		(3,555.00)	
9/25/2013	114423	San Marcos Boys & Girls Club	SMCF Grant Award		(4,339.00)	
9/25/2013	114389	Secretary of State	Filing Fee for Statement of Information		(20.00)	
9/25/2013	114389	GoDaddy.com	5-year domain name renewal for SMCF		(651.45)	
		Interest Earnings Qtr Ended 9/30/13	Cash held at City	(1.39)		
		Interest Earnings Qtr Ended 9/30/13	SD Jewish Foundation	10,255.86		
		SD Jewish Foundation	Qtr Ended 9/30/13 Management Fee		(1,676.17)	
		Unrealized Gain Qtr ended 9/30/13		50,311.76		
11/14/2013	115237	Dept of Justice	Registration Renewal Fee		(25.00)	
11/14/2013	115242	Franchise Tax Board	2012 CA Exempt Organization Return		(10.00)	
11/14/2013	115312	SM Chamber	2013 Membership Renewal		(105.00)	
11/14/2013	115311	SM Chamber	Advertisement		(107.50)	
11/14/2013	115314	SMUSD - Alvin Dunn	SMCF Grant Award		(1,469.46)	
11/26/2013	115473	Blackbaud, Inc.	Renewal fundraising solutions 11/5/13-11/4/14		(259.56)	
11/26/2013	115478	Just In Time For Foster Youth	SMCF Grant Award		(5,000.00)	
12/5/2013	115553	Comstock & Associates	SMCF Tax Preparation		(595.00)	
12/5/2013	115656	SD Grantmaker	2014 Membership Renewal		(525.00)	
12/19/2013	115864	Meals-On-Wheels City of San Marcos	SMCF Grant Award		(7,000.00)	
		Interest Earnings Qtr Ended 12/31/13	Cash held at City	-		
		Interest Earnings Qtr Ended 12/31/13	SD Jewish Foundation	25,094.87		
		SD Jewish Foundation	Qtr Ended 12/31/13 Management Fee		(1,695.34)	
		Unrealized Gain Qtr ended 12/31/13		24,603.84		
				110,264.94	(35,776.38)	
<u>SM Wildlife Fund</u>						
9/4/2013	114075	Project Wildlife	SMCF Grant Award		(5,000.00)	
				-	(5,000.00)	
						Balance of Wildlife Fund: 5,407.49
<u>25th Anniversary Event</u>						
9/3/2013	CR #25064	Coleen Lukoff	25th Anniversary Event donation	10.00		
				10.00	-	
						Balance of 25th Anniversary Event Fund: 34.55
<u>Now &amp; Forever</u>						
7/31/2013	CR #23641	Sharon Jenkins	Now & Forever donation	500.00		
7/31/2013	CR #23639	James Desmond	Now & Forever donation	500.00		
9/3/2013	CR #25064	Coleen Lukoff	Now & Forever donation	125.00		
12/4/2013	CR #28667	Terri Williams	Now & Forever donation	100.00		
				1,225.00	-	
						Balance of Now & Forever Fund: 1,365.00
				Ending Balance 12/31/13		1,265,257.46

(1) The management fee is calculated based on the average balance for the quarter. The fee is 0.5% of the average balance up to the first \$1,000,000 plus 0.25% of the average balance above \$1,000,000.

(2) The Jewish Foundation allocates interest received on a monthly basis.

SAN MARCOS COMMUNITY FOUNDATION  
TREASURER'S INVESTMENT REPORT  
DECEMBER 31, 2013

TYPE OF INVESTMENT	INSTITUTION	YIELD	MATURITY DATE	MARKET/FAIR VALUE	% OF PORTFOLIO
Cash and Investments - Pooled with the City	Various	0.80%	(1)	11,291	0.89%
Deposit with Jewish Community Foundation	Various	(2)	(1)	<u>1,255,366</u>	99.11%
<b>Total Cash and Investments:</b>				<u><b>\$ 1,266,657</b></u>	100.00%

(1) Liquid and currently available.

(2) See attached reports provided by the Jewish Community Foundation.