

# Agenda

## MEETING OF THE SAN MARCOS COMMUNITY FOUNDATION

**WEDNESDAY, August 13, 2014 – 6:00 P.M.**

**MEETING OF THE  
SAN MARCOS COMMUNITY FOUNDATION  
GRANT FUNDING COMMITTEE**

**SAN MARCOS ROOM  
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 meeting room.

**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. 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

### ROLL CALL

### OLD BUSINESS

#### **1. GRANT FUNDING HISTORY 2007 to PRESENT**

*Recommendation: Note & File*

### NEW BUSINESS

- #### **2. REGULAR GRANT APPLICATION PROPOSALS**
- Consider five (5) Regular Grant proposals by non-profit organizations requesting funds from the Foundation. Recommend Funding to the SMCF Board.
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- (A) **THE BOYS & GIRLS CLUB OF SAN MARCOS** – Request for funding in the amount of \$10,000 to expand the after school program, The Victory Project. This program addresses the need to provide extra/remedial support for youth who have scored below basic or far below basic in math and reading on standardized testing.

*Recommendation:* **CONSIDER/RECOMMEND**

- (B) **NORTH COUNTY HEALTH SERVICES** – Request for funding in the amount of \$4,315 to purchase a new auditory screening unit for the organization's Project All Ready (PAR) program. Through this program the organization provides free hearing and vision screenings to children 18 months old to 5 years old at preschools, day cares, and Head Starts.

*Recommendation:* **CONSIDER/RECOMMEND**

- (C) **PARTNERSHIPS WITH INDUSTRY** – Request for funding in the amount of \$10,000 to provide vocation training, assessment, placement and ongoing support to adults living with disabilities in San Marcos to help them thrive in the work environment.

*Recommendation:* **CONSIDER/RECOMMEND**

- (D) **THE ANGEL'S DEPOT** – Request for funding in the amount of \$5,000 to help support the Senior Emergency Meal Box Program which provides a specifically formulated, nutritious nonperishable box meal to age and income qualified seniors.

*Recommendation:* **CONSIDER/RECOMMEND**

- (E) **CASA DE AMPARO** – Request for funding in the amount of \$5,000 to support the Residential Services Program. This program provides 24-hour trauma-informed child abuse treatment and support for approximately 60 foster youth removed from their homes due to abuse or neglect each year.

*Recommendation:* **CONSIDER/RECOMMEND**

**3. MINI-GRANT APPLICATION PROPOSALS** Consider three (3) Mini-Grant proposals by a nonprofit organization requesting funds from the Foundation. Approve Resolution GFC 2014-04 for funding of Mini-Grant.

- (A) **ALZHEIMER'S ASSOCIATION OF SAN DIEGO/IMPERIAL COUNTY** - Request for funding in the amount of \$1,500 to provide informational packets about Alzheimer's and resources available to families in need.

*Recommendation:* **CONSIDER/APPROVE**

- (B) **POSITIVE ACTION COMMUNITY THEATRE** - Request for funding in the amount of \$1,500 to fund theatre/life skills workshops for children with autism at the Country School in San Marcos.

*Recommendation:* **CONSIDER/APPROVE**

- (C) **FOUNDATION FOR SENIOR WELL BEING** – Request for funding in the amount of

\$1,500 to partially fund the initial annual fee for Crescendo integrated marketing for planned giving.

*Recommendation:* **CONSIDER/APPROVE**

### **CONSENT CALENDAR**

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

*Recommendation:* **WAIVE**

5. **APPROVAL OF MINUTES.** SMCF Grant Funding Committee Meeting, July 9, 2014.

*Recommendation:* **CONSIDER/APPROVE**

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

### **ITEMS FOR THE GOOD OF THE ORDER**

7. **NEXT MEETING DATE.**

The next meeting of the SMCF Board of Directors is scheduled for Tuesday, August 19, 2014. The next meeting of Grant Funding Committee meeting is scheduled for Wednesday, September 10, 2014.

8. **MISCELLANEOUS.**

9. **ADJOURNMENT.**

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

I, Wendy Kaserman, Secretary of the San Marcos Community Foundation Grant Funding Committee, hereby certify that I caused the posting of this agenda in the glass display case at the north entrance of City Hall on Friday, August 8, 2014 at 5:00 pm.

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Wendy Kaserman, Secretary - SMCF

**San Marcos Community Foundation:  
2007 to 2014 Regular and Mini Grant Recipients  
Sorted by Grant Recipient**

8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
6/12/2013	Alzheimer's Association	\$1,500.00	Mini	To cover the costs of producing 400 informational packets sent to callers who use the organization's 24/7 Helpline which provides dementia specific service.
8/21/2012	American Combat Veterans of War	\$1,000.00	Regular	To help meet the coaching needs of the music program for the 2012-2013 school year.
5/15/2012	American Red Cross	\$3,000.00	Regular	To directly address the welfare of children in San Marcos by empowering them to prepare for, prevent, and react effectively to emergencies.
1/11/2012	Boy Scouts of America-SD County Imperial Council	\$1,500.00	Mini	Funds to support the start of afterschool Scoutreach program for at risk boys at Knob Hill Elementary School.
5/20/2008	Boys & Girls Club of San Marcos	\$4,000.00	Regular	To assist with the on-going after school Core Programs (Health & Life Skills; Education & Career Development; The Arts; Sports; Fitness 7 Recreation; Character & Leadership Development) at the Jennifer Loscher Branch.
8/20/2013	Boys and Girls Club of San Marcos	\$4,339.00	Regular	To expand the after school Academic Success program at San Marcos Elementary School and Alvin Dunn Elementary School.
1/9/2008	California State University San Marcos Foundation	\$1,200.00	Mini	Portion of funds needed to host members of 2RC Teatro, a repertory theatre company, on tour from the Canary Islands, Spain, who will be performing at CSUSM, without cost, a classical Spanish play.
4/9/2008	California State University San Marcos Foundation	\$1,500.00	Mini	CSUSM Center ARTES - Avid for Arts Project - Residency program - introduce arts to SM Middle School and MHHS.



8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
8/21/2012	California State University San Marcos Foundation	\$2,270.00	Regular	To purchase vital computer resources to promote and support local American Indian educational success.
8/19/2008	Canine Companions for Independence	\$1,500.00	Regular	For sponsorship of a CCI Graduate Team located in and benefiting the citizens of San Marcos.
8/21/2007	Canine Companions for Independence	\$1,500.00	Regular	Subsidize the cost of providing a CCI Assistance Dog to benefit the citizens of San Marcos
8/20/2013	Casa de Amparo	\$2,000.00	Regular	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.
11/20/2007	Casa de Amparo	\$1,500.00	Regular	Support to offset the expenses associated with the Food Program at their emergency shelters and therapeutic Child Development Center. Food program provides 3 meals, 3 snacks to each child in the programs every day of the year.
7/9/2008	Christian Youth Theater	\$1,000.00	Mini	To enable purchase of sound equipment for North County Youth Theater Productions.
5/21/2013	City of San Marcos Community Services Department	\$2,000.00	Regular	To fund the building of the "Purple Heart Memorial" on the Purple Heart Trail. The Purple Heart Memorial is tribute to the men and women who have been awarded the Purple Heart Medal.
7/13/2011	City of San Marcos Community Services Department	\$1,487.15	Mini	Funds to purchase equipment for the "Walking School Bus." Volunteer Park Rangers will be using the equipment to help make the bus more visible, assist with traffic control and help ensure a safe route to school.
8/21/2012	Discovery Elementary PTO	\$1,430.00	Mini	To partnership with CSUSM to create a school-wide mural project allowing students exposure to the arts, build teamwork skills and promote a sense of accomplishment. Display murals on construction sites around San Marcos.

8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
2/18/2014	Fan of the Feather, Inc.	\$1,500.00	Mini	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.
8/21/2012	Fan of the Feather, Inc.	\$2,500.00	Regular	To provide transitional housing and support services through their Stabilization Program to help homeless veteran women in San Marcos to provide counseling and referral, mental health services, education on women's health issues, life skills, development, and job readiness
2/21/2012	Foster Care/SanDiego Youth Services	\$5,000.00	Regular	Funds to recruit, certify, and support four foster families to care for foster children from the community.
7/11/2007	Foundation for Hearing Research/CCHAT Center SD	\$1,500.00	Mini	Provide early essential education and support to young deaf children and their families
8/21/2012	High Tech High Foundation	\$2,000.00	Regular	For expansion of their after school program which supports families who live and work in San Marcos keeping students safe and engaged in extracurricular activities.
11/20/2007	Hope Through Housing Foundation	\$3,000.00	Regular	Funding to purchase equipment and supplies for an after school program held on site of affordable housing communities located in the Richmar neighborhood in San Marcos. After School & Beyond is a 10 month program from Sept. to June.
5/22/2014	Interfaith Community Services	\$1,500.00	Mini	To assist with the Senior Services Program that supports low income seniors in North County to live independently and remain in their homes as they age. The program served 56 San Marcos residents last year.
11/20/2012	Interfaith Community Services	\$10,000.00	Regular	To provide aging-in-place services to low-income seniors (Project C.A.R.E.).
8/16/2011	Interfaith Community Services	\$5,581.23	Regular	Fund cleaning and transportation supplies needed to expand the "Clearly Clean" janitorial and maintenance service staffed by residents of the Fairweather Lodge program.

8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
2/13/2008	Interfaith Community Services	\$1,500.00	Mini	Senior transportation taxi voucher program - administered by Project C.A.R.E.
11/20/2007	Interfaith Community Services	\$2,500.00	Regular	To be applied towards initial capital costs of a home that has been purchased in San Marcos -- it will provide shelter, care and employment to six highly functional mentally ill adults. Granting funds from SMCF will be offered as a challenge grant.
8/21/2012	John and Charlene Smylie Foundation	\$120.00	Regular	For San Marcos Boulevard 2011 holiday lights shortfall and for the 2012 installation.
11/19/2013	Just in Time for Foster Youth	\$5,000.00	Regular	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
8/21/2012	Kiwanis Club of San Marcos Foundation	\$1,430.00	Mini	To purchase books for Treasurer Chests for kindergarten classrooms at five San Marcos schools for use by teachers, children and their families
8/21/2007	Lamb's Players Theatre	\$2,500.00	Regular	Underwrite six educational performances for students in San Marcos
8/16/2011	Meals-On-Wheels	\$1,500.00	Mini	To offset the costs and continue to provide San Marcos' seniors with meals at a reduced rate. The seniors receive two meals and a beverage per day at cost of only \$7.00 – it costs the agency \$17.50 to purchase, prepare and deliver the meals to each client.
8/21/2007	Meals-On-Wheels	\$2,500.00	Regular	Provide home-delivered meals for seniors living in San Marcos. Provide 2,752 meals for senior
5/22/2014	Meals-on-Wheels Greater San Diego, Inc	\$500.00	Mini	To help purchase, prepare, and deliver healthy meals to homebound San Marcos seniors. Serves 106 San Marcos residents.

8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
11/19/2013	Meals-on-Wheels Greater San Diego, Inc	\$7,000.00	Regular	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
7/10/2013	Meals-on-Wheels Greater San Diego, Inc	\$1,500.00	Mini	To help purchase, prepare, and deliver healthy meals to homebound San Marcos seniors.
5/20/2008	North County Comm Services/North County Food Bank	\$1,000.00	Regular	A portion of the costs associated with the warehouse improvement project for additional refrigerated and freezer storage capacity.
5/21/2013	North County Community Services	\$4,500.00	Regular	To assist with a portion of the annual fuel costs for operating refrigerated trucks in service at North County's Food Bank.
8/20/2013	North County Health Services	\$3,780.00	Regular	To purchase 1 portable vital sign machines to be used in the San Marcos Health Center's 24 exam rooms.
8/19/2008	North County Health Services	\$3,000.00	Regular	To help support a Mobile Exercise Program in partnership with Community Services to provide equipment and a mobile exercise program to youth between 8 and 12 in City parks who are without access to recreational facilities.
2/19/2013	North County Solutions for Change	\$4,000.00	Regular	To provide 1/3 the cost of maintaining a San Marcos family for one year in the Solutions University Program (homelessness prevention)
11/20/2007	North County Solutions for Change	\$2,000.00	Regular	To be used in direct support of the Living Solutions project, a project that will provide the sufficient supportive service resources needed to help San Marcos homeless families end their homelessness.
8/21/2007	Operation Homefront of Southern California	\$0.00	Regular	Provide crisis resolution to low income military families in San Marcos

8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
<b>DATE</b>	<b>ORGANIZATION</b>	<b>AWARD</b>	<b>GRANT</b>	<b>PROJECT SUMMARY</b>
5/28/2014	Palomar College Foundation	\$3,000.00	Regular	To help fund the Textbook Assistance Program, which enables all students to have access to the books they need by subsidizing access to books through direct rental by students or through purchase and placement in the library of special reserve copies. Serves 300 San Marcos
3/12/2014	Palomar Health Foundation	\$1,500.00	Mini	To assist with the costs of treating and collecting forensic evidence for victims of sexual assault and child abuse. Serves approximately 50 San Marcos residents per year.
2/19/2008	San Diego County Office of Education	\$5,800.00	Regular	Provide dental sealants free to all students attending Alvin Dunn, Paloma and Twin Oaks Elementary schools.
5/15/2012	San Diego Symphony	\$2,500.00	Regular	To help underwrite tickets for 500 San Marcos elementary school students, so that they may attend young people's concerts at Copley Symphony Hall during the 2012-2013 season.
5/15/2012	San Marcos High School Boosters	\$6,000.00	Regular	To meet the transportation funding needs of the school's band and music program.
5/21/2013	San Marcos High School Music Boosters	\$5,500.00	Regular	To assist the San Marcos High School Music Program with transportation costs associated with attending and performing at competitions, festivals, performances at public venues.
8/21/2012	San Marcos High School Music Boosters	\$3,000.00	Regular	To help meet the coaching needs of the music program for the 2012-2013 school year.
5/22/2014	San Marcos Historical Society	\$1,000.00	Mini	To help purchase computer and software equipment for staff and a projector for presentations to the public.

8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
2/13/2008	San Marcos Historical Society	\$1,500.00	Mini	Continue restoration of the Bidwell House at Walnut Grove Park by replacing a kitchen window and door and also replacing French doors with a window.
8/19/2008	San Marcos Historical Society	\$3,000.00	Regular	To have the exterior of the Bidwell House in Walnut Grove Park painted, and for material and labor to put a portion of the historical photos in protective sleeves (material and labor).
8/21/2007	San Marcos Historical Society	\$1,000.00	Regular	Restoration of the Bidwell House in Heritage Park for touring by the general public
11/20/2007	San Marcos Lions Club Foundation	\$5,000.00	Regular	Provide a second trailer for the school nurses to do sight and hearing testing
2/18/2014	San Marcos Unified School District	\$5,000.00	Regular	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.
3/12/2008	San Marcos Unified School District	\$1,500.00		Funds for a Community Dinner - SMUSD Cultural Exchange Program - Sister Cities - San Marcos, CA and Nakagawa, Japan.
3/12/2014	San Marcos Unified School District (San Marcos Middle School)	\$1,500.00	Mini	To assist with the travel costs of participating in a Model United Nations Conference in New York City. The application states over 120 residents are served through this program.
10/9/2013	San Marcos Unified School District (Alvin Dunn Elementary School)	\$1,469.46	Mini	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
8/20/2013	San Marcos Unified School District (Mission Hills High School)	\$3,555.00	Regular	To help purchase the equipment needed to complete the curriculum for a full year jewelry and metals course.

8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
5/14/2008	Signs of Silence	\$1,500.00	Mini	Annual Deaf Camping Trip - help pay for expenses like van rental, gas for the vehicles and camping fees for Yosemite trip.
2/18/2014	Solutions for Change	\$7,000.00	Regular	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.
8/19/2008	Special Olympics Southern California	\$1,500.00	Regular	To provide uniforms and facility rentals for sports training sites for Special Olympics athletes who live in the community of San Marcos.
2/18/2014	Tender Loving Canines Assistance Dog	\$2,000.00	Regular	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.
7/10/2013	TERI, Inc	\$1,500.00	Mini	To support application to an Institutional Research Board for research to identify the correlation between brain patterns and severity of autism.
8/21/2007	TERI, Inc.	\$3,000.00	Regular	Support operating costs associated with the TERI Agricultural Vocational Program, while providing vocational training to produce consumable vegetables
11/20/2007	The Angel's Depot	\$1,000.00	Regular	Support program providing free "Senior Food-for-a-Week" meal boxes, which contain 21 nutritious, nonperishable, easily prepared meals to seniors living in poverty in San Diego County
5/15/2012	The Elizabeth Hospice Foundation	\$8,500.00	Regular	To support direct Hospice & Grief counseling Services for residents of San Marcos.
5/21/2013	The Elizabeth Hospice Foundation	\$4,000.00	Regular	To help support direct hospice and grief counseling services for residents of San Marcos.

8/19/2008	ACCESS, Inc.	\$1,000.00	Regular	San Marcos VAWA Leadership Development - to empower and provide mentorship to at least 250 young women and girls to become leaders in working towards preventing gender based violence in San Marcos.
5/20/2008	The Elizabeth Hospice Foundation	\$4,000.00	Regular	Child, Teen and Adult Grief & Loss Counseling program - supports and mentors children, teens and adults experiencing the loss of a loved one through death, divorce or separation.
5/28/2014	The Elizabeth Hospice Foundation	\$3,000.00	Regular	To help fund Hospice Care & Grief Counseling Services for people of all ages regardless of insurance status or ability to pay. In FY'13 program served 390 San Marcos residents. Does not specify how many San Marcos residents this grant would serve.
8/21/2007	Tri-City Hospital Foundation	\$2,986.00	Regular	Purchase of two patient vital signs machines for the two triage areas of Tri-City Medical Center's Emergency Department
5/21/2013	Ubiquitous Music	\$2,000.00	Regular	To expand an existing music program for "at risk" youth at Twin Oaks Continuation High School. Funds will help move the program from after school to during regular school hours, expand the number of days the program is offered and help pay for some of the instruments.
2/19/2008	Ubiquitous Music Incorporated	\$5,000.00	Regular	Continuation of music program being offered at Twin Oaks Valley High School.
6/12/2013	Words Alive	\$1,500.00	Mini	To purchase curriculum for the organization's Adolescent Book Group (ABG) program at the North County Technology & Science Academy.



## SAN MARCOS COMMUNITY FOUNDATION

### Summary of Regular & Mini Grant Requests- August 2014

*Asset Balance on 6/30/2014: \$1,300,541.17*

*San Marcos- Now and Forever Funds for Current Grantmaking FY 2014-2015: \$1,645*

***Available for Distribution for FY14-15: \$53,667 - \$66,672***

*Awarding Grants at 4% of Assets Available=\$53,667*

*Awarding Grants at 5% of Assets Available=\$66,672*

*Total FY14-15 Distributions Year to Date= \$0*

***Target distribution for each quarter to evenly distribute funds across all quarters:***

*Awarding Grants at 4% of Assets Available=\$13,417*

*Awarding Grants at 5% of Assets Available=\$16,668*

Applicant	Grant Type	Summary of Request	Requested	GFC Recommended Funding
The Boys & Girls Club of San Marcos	Regular	To help expand The Victory Project (formerly the Academic Success Program), an after-school program that provides extra/remedial support for youth in grades 2 <sup>nd</sup> – 5 <sup>th</sup> who have scored below basic or far below basic in math and reading on standardized testing. Serves 120 San Marcos residents.	\$10,000	
North County Health Services	Regular	To purchase a new auditory screening unit for the organization's Project All Ready (PAR) program. Through this program the organization provides free	\$4,315	

		hearing and vision screenings to children 18 months old to 5 years old at preschools, day cares, and Head Starts. Estimated to serve 400 San Marcos residents.		
Partnerships with Industry	Regular	To provide vocation training, assessment, placement and ongoing support to adults living with disabilities in San Marcos to help them thrive in the work environment. Serves 10 San Marcos residents	\$10,000	
The Angel's Depot	Regular	To help support the Senior Emergency Meal Box Program which provides a specifically formulated, nutritious nonperishable box meal to age and income qualified seniors. Funding will provide 60 boxed meals every month to seniors living in poverty in San Marcos.	\$5,000	
Casa De Amparo	Regular	To assist with the Residential Services Program, specifically costs associated with medical assessments and coordination, transportation	\$5,000	

		to medical appointments, education and tutoring, job readiness, nutrition education and recreational and therapeutic activities. Program will serve 60 San Marcos residents, age prenatal to 21 years old.		
Alzheimer's Association of San Diego/Imperial County	*Mini	To provide informational packets about Alzheimer's and resources available to families in need. Funding would provide packets to approximately 300 San Marcos families.	\$1,500	
Positive Action Community Theatre	*Mini	To fund theatre/life skills workshops for children with autism at the Country School in San Marcos. Will serve 5 San Marcos residents.	\$1,500	
Foundation for Senior Well Being	*Mini	To partially fund the initial annual fee for Crescendo integrated marketing for planned giving. Applications states that 8,527 San Marcos residents will be served.	\$1,500	
			<b>Total Grants Requested: \$38,815</b>	<b>Total Regular Grant Funding Recommended:</b>





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

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

<b>Project Name:</b> The Victory Project <b>Date Submitted:</b> 5/29/14	<b>Total # of people served:</b> 120 <b>Total # of San Marcos residents served:</b> 120	<b>Amount Requested:</b> \$10,000
<b>Non-Profit Organization Name and Address, Website</b>  Boys & Girls Club of San Marcos 1 Positive Place San Marcos, CA 92069		<b>Contact Person – Name, Title &amp; Phone, email</b>  Kim Webb, Director of Development & Marketing 760-471-240 ext. 306 kim@boysgirlsclubsm.org

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

The Boys & Girls Club of San Marcos is requesting funds to expand the after-school program, The Victory Project, previous known as the Academic Success program. Thanks to the very generous support of the San Marcos Community Foundation, the Club was able to expand the current program to serve 78 youth members. During the 2014-2015 school year, the goal for the Victory Project program will be to expand to serve 140 youth members in grades 2<sup>nd</sup> -5<sup>th</sup>.

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

The Victory Project addresses the need to provide extra/remedial support for youth who have scored below basic or far below basic in math and reading on standardized testing. The program has shown proven results for improvement for both math and reading for youth members who are falling behind in school.

Please attach the following items.

**Both Mini-Grant & Regular:**

1. Budget for request (use SMCF Budget Worksheet)
2. Annual Operating budget for the organization or unit
3. Federal & State Tax ID numbers
4. Board of Directors listing with affiliations

**5. Regular Grants Only:**

- a. 1-2 page narrative
- b. First 2 pages of Federal 990
- c. Most recent year-end Statement or Audit including any management letters associated with Audit.
- d. Signature of President or Authorized Officer on Application
- e. Optional: letters of support

Expected date project will begin/end: 8/1/2014

Date by which funds will be expended: 6/30/2015

Signature of President or Authorized Officer

Name, Title

Date

Shelly Anguiano Figueroa, Chief Executive Officer

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): [wkaserman@san-marcos.net](mailto:wkaserman@san-marcos.net)



San Marcos Community Foundation  
c/o City of San Marcos  
1 Civic Center Drive  
San Marcos, CA 92069

Dear Board of Directors:

The Boys & Girls Club of San Marcos is requesting consideration for a \$10,000 grant to expand The Victory Project. The Victory Project is aligned with the Club's mission to inspire and enable all young people to realize their full potential as responsible, caring citizens.

Since 1979 the Boys & Girls Club of San Marcos has been at the forefront of youth development, working with youth ages 6-18 who need the Club most. The Club has actively sought to enrich the lives of girls and boys whom other agencies fail to reach. The Club is affordable to all with an annual membership fee of \$40. No child is ever turned away due to their financial circumstance. Boys and girls participate in after-school programs, summer camps and specialty teen programs at seven locations throughout the community.

Today, staff members at the Boys & Girls Club of San Marcos are making an impact on the lives of over 800 young people each day and over 2,800 annually. Of the nearly 2,800 Club members, 63% are from economically disadvantaged families, 26% are from single parent households and 58% are Hispanic.

According to the Annie E. Casey Foundation 1 in 6 children who are not reading proficiently in 3<sup>rd</sup> grade do not graduate from high school on time. The U.S. Department of Education has stated that, among 34 countries surveyed the United States ranked 14<sup>th</sup> in reading literacy and 25<sup>th</sup> in math literacy. It was reported in the San Diego County Report Card on Children & Families that in 2011 only 51% of 3<sup>rd</sup> graders scored proficient or advanced on the English Language Arts annual California Standardized Test. Locally, on the California Standardized Test:

San Marcos Elementary School

- 60% of 3<sup>rd</sup> grade students scored basic or below basic in English Language Arts
- 49% of 3<sup>rd</sup> grade students scored basic or below basic in Math

Alvin Dunn Elementary School

- 72% of 3<sup>rd</sup> grade students scored basic or below basic in English Language Arts
- 62% of 3<sup>rd</sup> grade students scored basic or below basic in Math

Performance on the English-Language Arts test is widely accepted as the best predictor of school achievement overall, in part because mastery of language arts is a critical foundation to understanding information in other subjects. In the primary grades, children are learning to read; but from that point on, they must read to learn. A child who does not master basic reading skills does not have the foundation for future success.

With these alarming statistics in mind, the Boys & Girls Club of San Marcos created The Victory Project (TVP) formally named the Academic Success Program. TVP program provides math and reading remediation to youth members, whose standardized test scores are below or far below basic as identified by the school site administration.



**BOYS & GIRLS CLUB  
OF SAN MARCOS**

***Jennifer Loscher Building  
and Administrative Offices***

1 Positive Place  
San Marcos, CA 92069  
Tel. 760.471.2490 Fax 760.471.0673  
www.boysgirlsclubsm.org

***The Club Teen Center***

1 Positive Place  
San Marcos, CA 92069  
Tel 760.290.3527

***Extension Sites***

**San Marcos Middle School**  
650 W. Mission Road

**Woodland Park Middle School**  
1270 Rock Springs Road

**Alvin Dunn Elementary School**  
3697 La Mirada Drive

**San Marcos Elementary School**  
300 W. San Marcos Blvd.

**Copper Creek in San Elijo Hills**  
1730 Elfin Forest Road

**San Elijo Middle School**  
1600 Schoolhouse Way

***Executive Committee***

Debbie Thompson | *Chairwoman*

Noemi Rivera | *Vice Chair*

Jason Simmons | *Treasurer*

Tim Williams | *Secretary*

Jeff Ritchie | *Past Chairman*

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Gary Levitt  
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\*Past Chair

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Vice Mayor Rebecca Jones  
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Hal Martin  
Vallecitos Water District

Dr. Jan Jackson  
California State University San Marcos

Dr. Kevin Holt  
San Marcos Unified School District

Shayla D. Sivert  
Palomar College

***Trustees***

Donald Findlay+  
Art Harris+  
Chuck Lehrer\*  
Stanley Mahr+  
Dr. Jim Sands+

Shelly Anguiano Figueroa  
***Chief Executive Officer***

+ deceased

Youth members participate in math and reading instruction for 2 hours a day, twice a week. A trained professional staff member provides guided instruction via a specialized curriculum that allows each youth member to follow a lesson in their personal workbook. The curriculum, Targeted Math and Reading Intervention, is research-based, approved by administrators of the San Marcos Unified School District and is correlated to the Common Core Standards.

For added value at least once a week, youth members have the unique opportunity to play games on an iPad or tablet that corresponds directly to the curriculum. This allows youth members, who may not otherwise have the opportunity, the chance to access technology.

During the 2012-2013 school years, the pilot program served 30, 3rd and 4th grade youth members at San Marcos Elementary School. Results from the program's diagnostic tests were based on the 30 most commonly missed questions on the California Standards Test. The results were amazing.

- 86% of youth participants improved their diagnostic test scores in reading
- 39% of youth participants improved their diagnostic test scores in math
- 25% of youth participants were reclassified as no longer English Language Learners per San Marcos Unified School District

After a successful first year, the Club was determined to expand the program and reach more youth in need. With the support of the San Marcos Community Foundation, the Club was able to expand the 2013-2014 programs to serve 78 3<sup>rd</sup> and 4<sup>th</sup> grade youth members at San Marcos Elementary School, Alvin Dunn Elementary school and the Jennifer Loscher Branch. The second year of the program is also showing outstanding results:

#### READING

Baseline Test (9/19/2013)	1st Diagnostic (11/5/13)	2nd Diagnostic (3/14/14)	3 <sup>rd</sup> Diagnostic (5/19/14)
11% of the participants correctly answered 20-30 of the 30 questions	34% of participants correctly answered 20-30 of the 30 questions	39% of participants correctly answered 20-30 of the 30 questions	87% of participants correctly answered 20-30 of the 30 questions

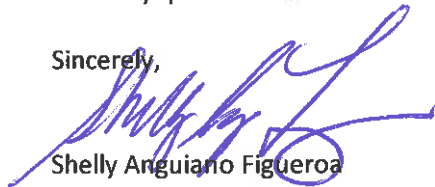
#### MATH

Baseline Test (9/19/2013)	1st Diagnostic (11/5/13)	2nd Diagnostic (3/14/14)	3 <sup>rd</sup> Diagnostic (5/19/14)
3% of the participants correctly answered 20-30 of the 30 questions	14% of participants correctly answered 20-30 of the 30 questions	20% of participants correctly answered 20-30 of the 30 questions	79% of participants correctly answered 20-30 of the 30 questions

Given the results and the impact of the first two years of the program, the Boys & Girls Club of San Marcos is eager to continue to expand The Victory Project for the 2014-2015 school year. This \$10,000 grant would allow the Club to expand both the number of youth served as well as the grades that will be served. The program will increase the number of youth served to 140 in grades 2<sup>nd</sup> -5<sup>th</sup> at Alvin Dunn Elementary, San Marcos Elementary School and the Jennifer Loscher Branch.

We are excited about the opportunity to continue to work with the San Marcos Community Foundation to provide The Victory Project to youth in our community who need extra/remedial support in school. Please feel free to contact me if you have any questions. I look forward to hearing from you.

Sincerely,



Shelly Anguiano Figueroa  
Chief Executive Officer

**SAN MARCOS COMMUNITY FOUNDATION  
Budget Worksheet**

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

<u>2 Targeted Reading Intervention Curriculums for 2<sup>nd</sup> grade including tax</u>	<u>\$ 799.98</u>
<u>2 Targeted Reading Intervention Curriculums for 3<sup>rd</sup> grade including tax</u>	<u>\$ 799.98</u>
<u>2 Targeted Reading Intervention Curriculums for 4<sup>th</sup> grade including tax</u>	<u>\$ 799.98</u>
<u>1 Targeted Reading Intervention Curriculum for 5<sup>th</sup> grade including tax</u>	<u>\$ 399.99</u>
<u>2 Targeted Math Intervention Curriculums for 2<sup>nd</sup> grade including tax</u>	<u>\$ 699.98</u>
<u>1 Targeted Math Intervention Curriculum for 4<sup>th</sup> grade including tax</u>	<u>\$ 349.99</u>
<u>1 Targeted Math Intervention Curriculum for 5<sup>th</sup> grade including tax</u>	<u>\$ 349.99</u>
<u>140 Math Workbooks at \$9.99 each including tax</u>	<u>\$ 1,538.46</u>
<u>140 Reading Workbooks at \$9.99 each including tax</u>	<u>\$ 1,538.46</u>
<u>3 Youth Development Professionals at \$20 /hr x 13 hrs/wk x 36 weeks</u>	<u>\$ 28,080.00</u>
<u>1 Youth Development Professionals at \$20/hr x 6.5 hrs/wk x 36 weeks</u>	<u>\$ 4,680.00</u>
<u>Administrative Overhead</u>	<u>\$ 2,001.84</u>

**Total budget for this PROJECT:** \$ 42,038.65

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

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

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

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

\$ <u>3,500</u>	(Name of source) <u>EDCO Waste &amp; Recycling</u>	<b>** C</b>
\$ <u>5,000</u>	(Name of source) <u>Hunter Industries</u>	<b>** C</b>
\$ <u>1,000</u>	(Name of source) <u>Shelly &amp; Jose Figueroa</u>	<b>** C</b>
\$ <u>750</u>	(Name of source) <u>Gary Levitt</u>	<b>** C</b>
\$ <u>10,000</u>	(Name of source) <u>Opus Bank Foundation</u>	<b>** P</b>
\$ <u>5,000</u>	(Name of source) <u>Wells Fargo Bank Foundation</u>	<b>** P</b>



**Boys Girls Club of San Marcos**  
**2014-2015 OPERATING BUDGET**

	Board Approved Budget 2013-2014	Projected Actualization For Year-End (2013-2014) as of	Proposed Budget 2014-2015 w/ASES Grants	Proposed Budget 2014-2015 w/out ASES	Combined Operating Budget 2014-2015	Variance of 2013-2014 Actualization to 2014-2015	COMMENTS
<b>INCOME</b>							
Local	\$ 80,200.00	\$ 94,000.00	-	\$ 100,500.00	\$ 100,500.00	\$ 6,500.00	CAVA rental (\$10,000); Non-event related (\$10,000); Stone Anniversary (\$15,000); Includes Victory Project revenue (\$40,000); Capital funds (\$25,000)
United Way	12,000.00	13,000.00	-	14,000.00	14,300.00	1,000.00	Individual designations through United Way
Annual Sponsors	85,858.00	85,000.00	-	88,858.00	88,858.00	3,858.00	(1) Diamond; (2) Platinum; (3) Gold; (1) Silver; (3) Bronze; Premier increased from Silver to Gold
<b>Total Contributions</b>	<b>\$ 178,058.00</b>	<b>\$ 192,000.00</b>	<b>-</b>	<b>\$ 203,358.00</b>	<b>\$ 203,358.00</b>	<b>\$ 11,358.00</b>	
JLB-General Club							
Day Camp	84,960.00	77,000.00	-	84,960.00	84,960.00	7,960.00	7 weeks Summer, 3 weeks Winter & 1 week Spring Camps
Youth Membership	32,000.00	29,283.00	-	32,000.00	32,000.00	2,717.00	\$40/youth (800) paying members, Includes San Elijo Middle School
<b>Total JLB-General Club</b>	<b>\$ 116,960.00</b>	<b>\$ 106,283.00</b>	<b>\$ -</b>	<b>\$ 116,960.00</b>	<b>\$ 116,960.00</b>	<b>\$ 10,677.00</b>	
Fee Based Clubs							
Program Fees	80,000.00	80,000.00	-	80,000.00	80,000.00	-	San Elijo Middle School; Only fee based site
Transportation	82,232.00	69,000.00	-	63,746.00	63,746.00	(5,254.00)	Four school sites
<b>Fee Based Clubs</b>	<b>\$ 162,232.00</b>	<b>\$ 149,000.00</b>	<b>\$ -</b>	<b>\$ 143,746.00</b>	<b>\$ 143,746.00</b>	<b>\$ (5,254.00)</b>	
Grants/Foundations							
ASES - Alvin Dunn	140,032.00	140,032.00	140,032.00	-	140,032.00	-	Per contract w/SMUSD
ASES - SM Elem.	87,756.00	87,756.00	87,756.00	-	87,756.00	-	Per contract w/SMUSD
ASES - SMMS	199,202.00	199,202.00	199,202.00	-	199,202.00	-	Per contract w/SMUSD
ASES - WPMS	131,574.00	131,574.00	131,574.00	-	131,574.00	-	Per contract w/SMUSD
Copper Creek/Bridge Housing	15,000.00	16,000.00	-	16,000.00	16,000.00	-	Bridge Housing funded
<b>Other Grants</b>	<b>110,000.00</b>	<b>40,000.00</b>	<b>-</b>	<b>90,000.00</b>	<b>\$ 90,000.00</b>	<b>\$ 50,000.00</b>	Includes gift from Forte For Children/DEI
OJP Grant Funds	26,500.00	40,000.00	-	33,000.00	33,000.00	(7,000.00)	
<b>Total Grants</b>	<b>\$ 710,064.00</b>	<b>\$ 554,564.00</b>	<b>\$ 558,564.00</b>	<b>\$ 139,000.00</b>	<b>\$ 697,564.00</b>	<b>\$ 43,000.00</b>	
Special Events/Campaigns							
Annual Auction	147,000.00	194,000.00	-	172,000.00	172,000.00	(22,000.00)	Gross
Annual Awards Luncheon	1,750.00	1,750.00	-	1,750.00	1,750.00	-	
Golf Classic	140,000.00	157,565.00	-	147,000.00	147,000.00	(10,565.00)	Gross amount; Per Golf Committee leadership
KIDS Fundraisers	15,500.00	15,500.00	-	15,500.00	15,500.00	-	
GTGF Campaign/On-line G	37,500.00	39,000.00	-	52,000.00	52,000.00	13,000.00	Annual Giving Campaign; Major gifts
Holiday Hotcakes Events	5,000.00	6,415.00	-	7,000.00	7,000.00	585.00	
Rotary Golf	5,000.00	5,000.00	-	5,000.00	5,000.00	-	
<b>Total Special Events/Campai</b>	<b>\$ 351,750.00</b>	<b>\$ 419,230.00</b>	<b>-</b>	<b>\$ 400,250.00</b>	<b>\$ 400,250.00</b>	<b>\$ (18,980.00)</b>	
Reimbursed Expenses	7,000.00	2,000.00	-	2,000.00	2,000.00	-	
<b>TOTAL INCOME</b>	<b>1,526,064.00</b>	<b>1,523,077.00</b>	<b>\$ 558,564.00</b>	<b>\$ 1,005,314.00</b>	<b>\$ 1,563,878.00</b>	<b>\$ 40,801.00</b>	

**Boys Girls Club of San Marcos**

**2014-2015 OPERATING BUDGET**

EXPENSES	Board Approved Budget 2013-2014	Projected Actualization For Year-End (2013-2014) as of	Proposed Budget 2014-2015 w/ASES Grants	Proposed Budget 2014-2015 w/out ASES	Combined Operating Budget 2014-2015	Variance of 2013-2014 Actualization to 2014-2015	COMMENTS
Automobile Expense	8,000.00	8,000.00	-	8,000.00	8,000.00	-	3 vehicles; mileage reimbursement and maintenance
Bank/Merchant Service Charges	9,600.00	8,000.00	-	8,000.00	8,000.00	-	Increased on-line payments
Dues & Subscriptions	11,000.00	11,000.00	-	15,780.00	15,780.00	4,780.00	
Employee Expenses							
Life/Dnt/Ltd	2,276.94	2,623.00	360.36	1,866.96	2,227.32	(395.68)	
Medical	18,170.16	18,682.00	4,326.06	12,634.80	16,960.86	(1,721.14)	
Pension	32,068.00	26,500.00	-	30,000.00	30,000.00	3,500.00	Per pension plan change
Pension reversal		(26,500.00)					
Employer PR Taxes	72,873.09	72,142.00	28,511.89	44,380.30	72,892.19	750.19	
Payroll Service Fees	7,000.00	9,000.00	5,730.00	3,820.00	9,550.00	550.00	
Recruiting	5,730.00	10,000.00	6,000.00	4,000.00	10,000.00	-	Background checks; Drug & TB testing
Unemployment Insurance	20,000.00	20,000.00	-	20,000.00	20,000.00	-	
Wages	1,025,319.36	1,020,032.00	456,549.91	578,529.19	1,035,079.10	15,047.10	
Workman's Compensation	30,000.00	43,000.00	28,380.00	14,620.00	43,000.00	-	Increase in rates
<b>Total Employee Expenses</b>	<b>1,213,437.56</b>	<b>1,195,479.00</b>	<b>529,868.22</b>	<b>709,851.25</b>	<b>\$ 1,239,705.47</b>	<b>44,230.47</b>	
Equipment Rentals	5,254.00	5,600.00	2,679.00	2,675.00	5,254.00	(246.00)	Copy Machine lease
Insurance	16,000.00	16,000.00	8,998.00	7,302.00	16,000.00	-	General liab, auto, accident, D&O, umbrella
Marketing & Stewardship	11,000.00	11,000.00	-	7,000.00	7,000.00	(4,000.00)	
Meetings	3,000.00	3,000.00	-	3,000.00	3,000.00	-	
Postage and Delivery	1,100.00	1,100.00	-	1,100.00	1,100.00	-	Non-event related (Accounts Payable, Admin)
Professional Fees (Audit)	10,725.00	13,000.00	7,260.00	3,740.00	11,000.00	(2,000.00)	Independent Auditor
Program Fieldtrips	8,100.00	8,100.00	-	5,000.00	5,000.00	(3,100.00)	Day Camp Fieldtrips
Facility Repairs & Maintenance	38,000.00	38,000.00	-	38,000.00	38,000.00	-	JLB site/Teen Center only; janitorial, computer repairs; landscaping, etc.
Special Events							
Annual Awards Luncheon	1,750.00	1,750.00	-	1,500.00	1,500.00	(250.00)	
Annual Auction	45,000.00	39,000.00	-	39,000.00	39,000.00	-	
Golf Classic	17,500.00	18,854.00	-	18,854.00	18,854.00	-	
Kids Fundraisers/Keystone	10,000.00	7,000.00	-	7,500.00	7,500.00	500.00	
Other	9,500.00	8,000.00	-	14,800.00	14,800.00	6,800.00	DEI table & golf, Holiday Hotcakes, Holiday parties, GTGF Campaign
<b>Total Special Events</b>	<b>\$ 83,750.00</b>	<b>\$ 74,604.00</b>	<b>\$ -</b>	<b>\$ 81,654.00</b>	<b>\$ 81,654.00</b>	<b>7,050.00</b>	
<b>Total Supplies</b>	<b>24,500.00</b>	<b>31,500.00</b>	<b>-</b>	<b>36,290.00</b>	<b>36,290.00</b>	<b>4,790.00</b>	Program supplies and office supplies
Telephone	11,000.00	11,000.00	4,400.00	6,600.00	11,000.00	-	Land lines, cell phones & internet
Temporary Labor/Consultants	5,000.00	3,700.00	-	5,000.00	5,000.00	1,300.00	Jr. Deputy Program
Transportation	32,580.00	38,000.00	-	32,600.00	32,500.00	(5,400.00)	No Paloma
Training & Conferences	10,000.00	9,000.00	-	15,000.00	15,000.00	6,000.00	
Utilities	24,000.00	24,000.00	-	24,000.00	24,000.00	-	JLB/Teen Center Facility
<b>TOTAL EXPENSE (WITHOUT DEPRECIATION)</b>	<b>\$ 1,526,046.56</b>	<b>\$ 1,509,983.00</b>	<b>\$ 552,795.22</b>	<b>\$ 1,010,592.25</b>	<b>1,563,387.47</b>		
<b>NET INCOME</b>	<b>\$ 17.44</b>	<b>\$ 13,094.00</b>	<b>\$ 5,768.78</b>	<b>\$ (5,278.25)</b>	<b>490.53</b>	<b>(12,603.47)</b>	
Depreciation Expense	59,325.03	59,325.03	-	59,325.03	59,325.03	-	Per Auditors Depreciation Schedule
<b>NET INCOME</b>	<b>\$ (59,307.59)</b>	<b>\$ (46,231.03)</b>	<b>\$ 5,768.78</b>	<b>\$ (64,603.28)</b>	<b>(58,834.50)</b>	<b>(12,603.47)</b>	

OGDEN UT 84201-0838

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

00031837  
BODC: TE

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



003185

Employer Identification Number: 95-3330218  
Person to Contact: Ms. Casteel  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

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

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

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

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

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

**Boys Girls Club of San Marcos**  
**Board of Directors**  
**Public Roster**  
**2013-2014**

<b>Board Member</b>	<b>Title</b>	<b>Company</b>	<b>Mailing Address</b>	<b>Phone</b>	<b>Email</b>
JABARA Russ	Associate Vice President	Colliers International	5901 Priestly Dr., Ste. 100 Carlsbad, CA 92008	760.438.8950	<a href="mailto:russ.iabara@colliers.com">russ.iabara@colliers.com</a>
LEVITT Gary	Owner	Sea Breeze Properties	3525 Del Mar Heights Rd., Ste. 246 San Diego, CA 92130	858.361.8555	<a href="mailto:gary@seabreezeproperties.com">gary@seabreezeproperties.com</a>
MASSA Gary	Realtor	Pacific Sotheby's International Realty	3702 Via de la Valle, Suite 2C Del Mar, CA 92014	760.889.7701	<a href="mailto:Gary.Massa@SothebysRealty.com">Gary.Massa@SothebysRealty.com</a>
RITCHIE Jeff	<b>PAST- CHAIRMAN</b> Vice President	EDCO Waste & Recycling	224 Las Posas Rd. San Marcos, CA 92079	760.744.5615 x119	<a href="mailto:jritchie@edcodisposal.com">jritchie@edcodisposal.com</a>
RIVERA Noemi	<b>VICE-CHAIR</b> Executive Assistant	Hunter Industries	1940 Diamond Street San Marcos, CA 92078	760.591.7125	<a href="mailto:noemi.rivera@hunterindustries.com">noemi.rivera@hunterindustries.com</a>
SIMMONS Jason	<b>TREASURER</b> Vice President of Operations	Consultants Collaborative, Inc.	160 Industrial St., Ste. 200 San Marcos, CA 92078	760.471.2365 x107	<a href="mailto:jason@cciconnect.com">jason@cciconnect.com</a>
THOMPSON Debbie	<b>CHAIRWOMAN</b> VP/ Relationship Banker	California Bank & Trust	140 Civic Center Drive Vista, CA 92084	760.945.2524	<a href="mailto:Deborah.Thompson@calbt.com">Deborah.Thompson@calbt.com</a>
WAGNER Steve	Co-Founder/President	Stone Brewing Co.	1999 Citracado Pkwy Escondido, CA 92029	760.471.4999 x1103	<a href="mailto:steve.wagner@stonebrew.com">steve.wagner@stonebrew.com</a>
WILLIAMS Tim	<b>SECRETARY</b> Operations Manager	Markstein Beverage Co.	505 S. Pacific St. San Marcos, CA 92079	760.744.9100 x109	<a href="mailto:timw@marksteinbeer.com">timw@marksteinbeer.com</a>

1 Positive Place, San Marcos, CA 92069, 760.471.2490  
Fax 760.471.0673  
[www.boysgirlsclubsm.org](http://www.boysgirlsclubsm.org)

Form **990**Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

**2012**Open to Public  
Inspection**A** For the 2012 calendar year, or tax year beginning **07/01/12**, and ending **06/30/13**

<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> Name of organization <b>BOYS &amp; GIRLS CLUB OF SAN MARCOS</b>		<b>D</b> Employer identification number <b>95-3330218</b>
	Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>1 POSITIVE PLACE</b>		<b>E</b> Telephone number <b>760-471-2490</b>
	City, town or post office, state, and ZIP code <b>SAN MARCOS CA 92069</b>		<b>G</b> Gross receipts \$ <b>1,677,385</b>
	<b>F</b> Name and address of principal officer: <b>MECHELLE ANGUIANO-FIGUEROA</b> <b>1 POSITIVE PLACE</b> <b>SAN MARCOS CA 92069</b>		<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>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: ▶ <b>WWW.BOYSGIRLSCLUBSM.ORG</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1979</b>	<b>M</b> State of legal domicile:

**Part I Summary**

Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO INSPIRE AND ENABLE ALL YOUNG PEOPLE TO REALIZE THEIR FULL POTENTIAL AS RESPONSIBLE AND CARING CITIZENS.</b>				
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets				
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>12</b>		
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>12</b>		
	<b>5</b> Total number of individuals employed in calendar year 2012 (Part V, line 2a)	<b>5</b>	<b>80</b>		
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>0</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>		
	Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h)		Prior Year <b>833,949</b>	Current Year <b>824,521</b>
		<b>9</b> Program service revenue (Part VIII, line 2g)		<b>234,342</b>	<b>265,721</b>
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)		<b>32,299</b>	<b>40,188</b>		
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		<b>332,145</b>	<b>362,208</b>		
<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		<b>1,432,735</b>	<b>1,492,638</b>		
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)		<b>0</b>		
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		<b>0</b>		
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		<b>1,062,474</b>	<b>1,222,599</b>	
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		<b>0</b>		
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>111,499</b>		<b>0</b>		
Net Assets or Fund Balances	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		<b>351,985</b>	<b>307,551</b>	
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		<b>1,414,459</b>	<b>1,530,150</b>	
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12		<b>18,276</b>	<b>-37,512</b>	
	<b>20</b> Total assets (Part X, line 16)		Beginning of Current Year <b>1,813,017</b>	End of Year <b>1,744,090</b>	
	<b>21</b> Total liabilities (Part X, line 26)		<b>182,713</b>	<b>172,920</b>	
<b>22</b> Net assets or fund balances. Subtract line 21 from line 20		<b>1,630,304</b>	<b>1,571,170</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 <b>MECHELLE ANGUIANO-FIGUEROA</b>		Date <b>02/03/14</b>	
	Type or print name and title <b>CEO</b>			
Paid Preparer Use Only	Print/Type preparer's name <b>SHANNON B. ROOT, CPA</b>	Preparer's signature <b>SHANNON B. ROOT, CPA</b>	Date <b>02/03/14</b>	Check <input type="checkbox"/> if PTIN self-employed <b>P00021306</b>
	Firm's name ▶ <b>COVELL HOGAN &amp; ROBIN LLP</b>			Firm's EIN ▶ <b>38-3730777</b>
	Firm's address ▶ <b>345 W 9TH AVE STE 100 ESCONDIDO, CA 92025-5055</b>			Phone no. <b>760-737-0700</b>

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ NoFor Paperwork Reduction Act Notice, see the separate instructions.  
DAAForm **990** (2012)

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

1 Briefly describe the organization's mission:

**TO INSPIRE AND ENABLE ALL YOUNG PEOPLE TO REALIZE THEIR FULL POTENTIAL AS RESPONSIBLE AND CARING CITIZENS.**2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

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

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

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

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

4a (Code: ) (Expenses \$ **1,193,901** including grants of\$ ) (Revenue \$ )

**TO ENHANCE THE QUALITY OF LIFE WITH SPECIAL CONCERN FOR THE DISADVANTAGED. TO HELP YOUNG PEOPLE HELP THEMSELVES. TO PROVIDE SERVICES THAT ACHIEVE PERSONAL AND PROFESSIONAL GROWTH IN CHILDREN. PROVIDE PROGRAMS AND ACTIVITIES FOR CHILDREN BEFORE AND AFTER SCHOOL, AND ON ALL NON-SCHOOL DAYS AND HOLIDAYS.**

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

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

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

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

4e Total program service expenses ▶ **1,193,901**

**INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS  
OF  
BOYS & GIRLS CLUB OF SAN MARCOS  
JUNE 30, 2013 AND 2012**

**BOYS & GIRLS CLUB OF SAN MARCOS  
TABLE OF CONTENTS  
JUNE 30, 2013 AND 2012**

Independent Auditors' Report.....	1
Statements of Financial Position.....	2
Statements of Activities .....	3
Statements of Functional Expenses .....	4
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7



**Independent Auditors' Report**

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

We have audited the accompanying financial statements of Boys & Girls Club of San Marcos (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of San Marcos as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Covell, Hogan & Robin LLP*

Escondido, California  
January 22, 2014

**BOYS & GIRLS CLUB OF SAN MARCOS**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2013 AND 2012**

<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Current Assets		
Cash and cash equivalents	\$ 221,384	\$ 316,801
Investments	666,820	624,526
Accounts receivable	14,020	25,650
Grants receivable	84,621	129,366
Prepaid expenses	13,907	7,652
Other current assets	299	292
TOTAL CURRENT ASSETS	<u>1,001,051</u>	<u>1,104,287</u>
Property and equipment, net	678,038	643,730
Other assets		
Investments, restricted	<u>65,001</u>	<u>65,001</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,744,090</u></b>	<b><u>\$ 1,813,018</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 25,346	\$ 27,494
Accrued expenses	7,708	9,567
Accrued payroll expenses	79,166	60,344
Deferred revenue and deposits	60,700	85,308
TOTAL CURRENT LIABILITIES	<u>172,920</u>	<u>182,713</u>
Net Assets		
Unrestricted	1,496,169	1,555,304
Temporarily restricted	10,000	10,000
Permanently restricted	65,001	65,001
TOTAL NET ASSETS	<u>1,571,170</u>	<u>1,630,305</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,744,090</u></b>	<b><u>\$ 1,813,018</u></b>

See independent auditors' report and notes to financial statements

**BOYS & GIRLS CLUB OF SAN MARCOS**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

<b>UNRESTRICTED NET ASSETS</b>	<b>2013</b>	<b>2012</b>
Support and Revenue		
General club revenue	\$ 265,721	\$ 234,342
Grants	718,752	707,205
Public support	92,127	101,828
United Way	12,742	18,018
Special events (net of direct expenses \$98,783)	362,208	332,143
Net assets released from restrictions	6,900	9,000
Interest and dividends	37,428	34,438
Realized gain(loss) on investments	(29,199)	(27,360)
Unrealized gain(loss) on investments	10,336	795
<b>TOTAL UNRESTRICTED REVENUE AND SUPPORT</b>	<b><u>1,477,015</u></b>	<b><u>1,410,409</u></b>
Expenses		
Program services		
Jennifer Loscher branch	335,252	315,552
San Marcos Unified School District	757,936	692,569
Other programs	100,711	92,317
<b>Total program services</b>	<b><u>1,193,899</u></b>	<b><u>1,100,438</u></b>
Supporting services		
Management and general expenses	224,750	204,275
Fund raising costs	111,501	109,746
<b>Total supporting services</b>	<b><u>336,251</u></b>	<b><u>314,021</u></b>
<b>TOTAL EXPENSES</b>	<b><u>1,530,150</u></b>	<b><u>1,414,459</u></b>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<b><u>(53,135)</u></b>	<b><u>(4,050)</u></b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	900	6,900
Net assets released from restrictions, satisfaction of program restrictions	(6,900)	(9,000)
<b>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b><u>(6,000)</u></b>	<b><u>(2,100)</u></b>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
Change in permanently restricted net assets:	-	-
Receipt of funds	-	-
<b>INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b><u>(59,135)</u></b>	<b><u>(6,150)</u></b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>1,630,305</u></b>	<b><u>1,636,455</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,571,170</u></b>	<b><u>\$ 1,630,305</u></b>

See independent auditors' report and notes to financial statements

**BOYS & GIRLS CLUB OF SAN MARCOS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013**

	Program Services				Support Services		Total Expenses
	Jennifer Loscher Branch	San Marcos Unified School District	Other Programs	Total Program Services	Management and General	Fund Raising Costs	
Expenses							
Advertising, promotions, and awards	\$ 2,730	\$ 5,505	\$ 779	\$ 9,014	\$ 2,667	\$ 893	\$ 3,560
Bank and merchant fees	3,359	6,781	959	11,098	3,281	1,100	4,381
Depreciation	13,542	27,334	3,869	44,745	13,230	4,431	17,661
Dues and licenses	2,157	4,354	617	7,127	2,108	706	2,813
Employee wages and salaries	223,233	540,102	69,884	833,218	128,566	66,937	195,504
Employee benefits	10,870	21,940	3,105	35,915	10,619	3,557	14,176
Employer payroll taxes, WC insurance and fees	31,202	62,978	8,915	103,095	30,483	10,209	40,693
Insurance	3,412	6,887	974	11,274	3,332	1,116	4,448
Outside Services	0	-	-	-	-	-	-
Postage	260	525	74	858	254	85	339
Professional fees	2,322	4,686	664	7,672	2,268	760	3,028
Program fieldtrips	1,377	2,791	390	4,557	1,353	451	1,804
Repairs and maintenance	8,983	18,132	2,566	29,681	8,776	2,939	11,715
Scholarships	4,100	-	-	4,100	-	-	-
Supplies and equipment	10,522	21,238	3,007	34,767	1,029	12,694	13,723
Telephone and utilities	7,644	15,431	2,184	25,259	7,468	2,501	9,969
Training and conference	3,250	6,560	928	10,738	3,175	1,064	4,239
Travel	6,289	12,692	1,797	20,778	6,141	2,059	8,200
Vending	-	-	-	-	-	-	-
Total Expenses	\$ 335,252	\$ 757,936	\$ 100,711	\$ 1,193,899	\$ 224,750	\$ 111,501	\$ 336,251
							\$ 1,530,150

See independent auditors' report and notes to financial statements

**BOYS & GIRLS CLUB OF SAN MARCOS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Program Services				Support Services			Total Expenses
	Jennifer Loscher Branch	San Marcos School District	Unified	Other Programs	Total Program Services	Management and General	Fund Raising Costs	Total Support Services
<b>Expenses</b>								
Advertising, promotions, and awards	\$ 2,380	\$ 4,798	\$ 679	\$ 7,857	\$ 2,325	\$ 779	\$ 3,103	\$ 10,960
Bank and merchant fees	2,686	5,423	767	8,876	2,624	880	3,504	12,379
Depreciation	16,622	33,549	4,749	54,920	16,239	5,438	21,677	76,597
Dues and licenses	2,249	4,539	643	7,430	2,197	736	2,933	10,363
Employee wages and salaries	194,134	469,699	60,774	724,607	111,808	58,212	170,020	894,627
Employee benefits	7,362	14,859	2,103	24,323	7,192	2,409	9,601	33,924
Employer payroll taxes, WC insurance and fees	29,061	58,657	8,303	96,022	28,392	9,509	37,901	133,923
Insurance	2,874	5,802	821	9,497	2,807	940	3,747	13,244
Outside services	980	1,979	280	3,239	958	321	1,279	4,518
Postage	209	422	59	690	204	69	273	963
Professional fees	2,850	5,753	815	9,418	2,784	933	3,717	13,135
Program fieldtrips	767	1,553	217	2,537	753	251	1,004	3,541
Repairs and maintenance	10,746	21,689	3,069	35,504	10,497	3,515	14,012	49,516
Scholarships	11,000	-	-	11,000	-	-	-	11,000
Supplies and equipment	17,522	35,367	5,006	57,895	1,714	21,137	22,851	80,746
Telephone and utilities	6,212	12,540	1,775	20,527	6,069	2,033	8,101	28,628
Training and conference	3,232	6,524	923	10,679	3,158	1,058	4,216	14,895
Travel	4,611	9,306	1,318	15,235	4,503	1,509	6,012	21,247
Vending	55	111	16	181	54	18	72	253
<b>Total Expenses</b>	<b>\$ 315,552</b>	<b>\$ 692,569</b>	<b>\$ 92,317</b>	<b>\$ 1,100,438</b>	<b>\$ 204,275</b>	<b>\$ 109,746</b>	<b>\$ 314,021</b>	<b>\$ 1,414,459</b>

**BOYS & GIRLS CLUB OF SAN MARCOS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (59,135)	\$ (6,150)
Adjustments to reconcile change in net assets provided by operating activities:		
Realized gain/loss on investments	29,199	27,360
Unrealized gain/loss on investments	(10,336)	(795)
Depreciation	62,407	76,597
(Increase) decrease in operating assets:		
Accounts receivable	56,375	(88,135)
Prepaid expenses	(6,255)	(1)
Other current assets	(8)	(88)
Increase (decrease) in operating liabilities:		
Accounts payable	(2,148)	(18,599)
Accrued expenses	(1,859)	7,352
Accrued payroll expenses	18,822	23,865
Deferred revenue and deposits	(24,608)	24,913
<b>Net cash provided by operating activities</b>	<u><b>62,454</b></u>	<u><b>46,319</b></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(96,714)	(16,199)
Cash proceeds received from investments	193,524	261,190
Cash paid for investments	(254,681)	(268,310)
<b>Net cash used in investing activities</b>	<u><b>(157,871)</b></u>	<u><b>(23,319)</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Collections of contributions for long term purposes		
Endowment fund	-	-
<b>Net cash provided by financing activities</b>	<u>          </u>	<u>          </u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u><b>(95,417)</b></u>	<u><b>23,000</b></u>
<b>CASH, BEGINNING OF YEAR</b>	<u><b>316,801</b></u>	<u><b>293,801</b></u>
<b>CASH, END OF YEAR</b>	<u><b>\$ 221,384</b></u>	<u><b>\$ 316,801</b></u>

See independent auditors' report and notes to financial statements

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**A. ORGANIZATION**

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

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

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

**Income Taxes**

The Club is a private not-for-profit corporation organized under the laws of the State of California. As a Section 501(c)(3) organization, it is exempt from income taxes under the U.S. Internal Revenue Code and Section 23701(d) of the California State Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

**Contributions**

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

**Donated Services**

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

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Estimates

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

Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated on an estimated basis between programs, management and general supporting services, and fund raising.

Cash and Cash Equivalents

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

Accounts Receivable

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

Advertising

The Club expenses advertising costs as they are incurred. The total advertising expense for the years ended June 30, 2013 and 2012 are \$12,575 and \$10,960, respectively.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from ten to thirty years for buildings and improvements and three to seven years for furnishings, equipment, software, and vehicles. Expenditures for maintenance, repairs, and improvements which do not materially extend the useful lives of the assets are charged to operations in the periods incurred.



**BOYS AND GIRLS CLUB OF SAN MARCOS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013 AND 2012**

**C. CASH AND CASH EQUIVALENTS**

Cash consisted of the following at June 30:

	<u>2013</u>	<u>2012</u>
California Bank & Trust	\$ 165,268	\$ -
California Bank & Trust – CD	11,518	11,477
Petty Cash	408	114
SagePoint Financial, Inc.	40,842	63,134
Union Bank of California	<u>3,348</u>	<u>242,076</u>
	<u>\$ 221,384</u>	<u>\$ 316,801</u>

**D. CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Club to concentrations of credit risk consist principally of cash deposits and investment securities in bank and financial institutions. The Club maintains cash and cash equivalents and short and long term investments with major banks and financial institutions. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. The Club had a balance in excess of the FDIC coverage of \$0 and \$66,801 for the years ended June 30, 2013 and 2012, respectively.

The Club also maintains accounts with a brokerage company. These accounts contain cash and securities and balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Company (SIPC). For the years ended June 30, 2013 and 2012, the Club had a balance in excess of coverage for the year of \$231,821 and 189,527.

**E. MAJOR GRANT CONTRACTS**

After School Education and Safety (ASES) Program: There are contract agreements between San Marcos Unified School District and the Club (contractor) to operate an ASES program to improve academic achievement and provide safe and healthy recreation and prevention activities for students at qualified school sites. Initial grant contract terms covered a three year period with extensions. Although this period has expired, the contract terms are eligible for renewal on an annual basis, and were renewed for the years ended June 30, 2013 and 2012. Award amounts totaled \$567,000 and \$558,564 for the years ended June 30, 2013 and 2012. Total payments received for the years ended June 30, 2013 and 2012 were \$558,564 and \$558,449, respectively.

Boys & Girls Club National Youth Mentoring Program (OJP): There are contract agreements between Boys & Girls Clubs of America and the Club (contractor) to create and/or preserve full-time equivalent paid staff positions and to implement or expand an evidence-based mentoring program. Grant contract terms cover a one year period. Any remaining amounts may carry forward to the next fiscal year. Award amounts totaled \$19,500 and \$45,000 for the years ended June 30, 2013 and 2012. Total payments received for the years ended June 30, 2013 and 2012 were \$33,720 and \$33,267, respectively.

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**F. PROPERTY AND EQUIPMENT**

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

	<u>2013</u>	<u>2012</u>
Building	\$ 1,318,013	\$ 1,318,013
Furniture and fixtures	87,356	87,356
Computers and peripherals	68,282	56,810
Leasehold improvements	126,410	49,559
Office equipment	10,516	2,125
Software	4,927	4,927
Vehicles	<u>39,972</u>	<u>39,972</u>
	1,655,476	1,558,762
Less accumulated depreciation	<u>(977,438)</u>	<u>(915,032)</u>
	<u>\$ 678,038</u>	<u>\$ 643,730</u>

Depreciation expense for the years ended June 30, 2013 and 2012 was \$62,406 and \$76,597, respectively.

**G. LEASE OBLIGATION**

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

**H. INVESTMENTS**

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

- Level 1     Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.
- Level 2     Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets
  - quoted prices for identical or similar assets or liabilities in inactive markets
  - inputs other than quoted prices that are observable for the asset or liability
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means
  - If the asset or liability has specified (contractual) terms, the level 2 input must be observable for substantially the full term of the assets or liability

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**H. INVESTMENTS (CONTINUED)**

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

The following table sets forth by level, within the fair value hierarchy, the Club's investments, other than money market funds included in cash at fair value as of June 30, 2013.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 531,712	\$ -	\$ -	\$ 531,712
Fixed income	40,891	-	-	40,891
Exchange-traded	9,065	-	-	9,065
Equities	<u>150,153</u>	<u>-</u>	<u>-</u>	<u>150,153</u>
Total asset fair value	<u>\$ 731,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 731,821</u>

The amortized cost of securities and their approximate fair values at June 30, 2013 are as follows:

Gross amortized cost	\$ 741,572
Unrealized loss on investments	<u>(9,751)</u>
Fair market value	<u>\$ 731,821</u>

The following table sets forth by level, within the fair value hierarchy, the Club's investments, other than money market funds included in cash at fair value as of June 30, 2012.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 500,432	\$ -	\$ -	\$ 500,432
Fixed income	51,825	-	-	51,825
Exchange-traded	-	-	-	-
Equities	<u>137,270</u>	<u>-</u>	<u>-</u>	<u>137,270</u>
Total asset fair value	<u>\$ 689,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,527</u>

The amortized cost of securities and their approximate fair values at June 30, 2012 are as follows:

Gross amortized cost	\$ 662,945
Unrealized gain on investments	<u>26,582</u>
Fair market value	<u>\$ 689,527</u>

**Endowment Funds:** The Club's endowment consists of approximately 10 individual funds established for a variety of purposes. Its endowment includes only donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**H. INVESTMENTS (CONTINUED)**

The Board of Directors of the Club has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Club classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Club in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

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

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

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**H. INVESTMENTS (CONTINUED)**

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

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

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

- A summary of investment performance for the period measured against established performance benchmarks.
- A report of the portfolio's holdings showing individual security positions, at cost and market value.
- A review of all transactions, including a report of all capital gains and losses.
- Discussion on portfolio structure in the light of current and anticipated market conditions and investment objectives of the Funds.

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

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

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

From time to time, the fair value of assets associated with individual or donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Club to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, a deficiency of this nature is reported as unrestricted net assets. There was no such deficiency as of June 30, 2013 and 2012.

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**H. INVESTMENTS (CONTINUED)**

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

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

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

Endowment net asset composition by type of fund as of June 30, 2013 is as follows:

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

Endowment net asset composition by type of fund as of June 30, 2012 is as follows:

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

Changes in endowment net assets as of June 30, 2013 are as follows:

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

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**H. INVESTMENTS (CONTINUED)**

Changes in endowment net assets as of June 30, 2012 are as follows:

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

**I. GRANTS RECEIVABLE**

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

	<u>2013</u>	<u>2012</u>
Boys & Girls Clubs of America	\$ 2,075	\$ 22,544
San Marcos Unified School District – SMMS	34,226	41,996
San Marcos Unified School District – ADE	21,010	25,836
San Marcos Unified School District – SME	2,014	12,247
San Marcos Unified School District – WPMS	<u>25,296</u>	<u>26,743</u>
	<u>\$ 84,621</u>	<u>\$ 129,366</u>

**J. NET ASSETS**

Net assets are as follows:	<u>2013</u>	<u>2012</u>
Unrestricted net assets		
Undesignated	<u>\$ 1,448,239</u>	<u>\$ 1,555,304</u>
Total unrestricted net assets	<u>1,448,239</u>	<u>1,555,304</u>
Temporarily restricted net assets		
Restricted for:		
Scholarship fund	<u>10,000</u>	<u>10,000</u>
Total temporarily restricted net assets	<u>10,000</u>	<u>10,000</u>
Permanently restricted net assets		
Restricted for:		
Permanent endowment	<u>65,001</u>	<u>65,001</u>
Total permanently restricted net assets	<u>65,001</u>	<u>65,001</u>
Total Net Assets	<u>\$ 1,523,240</u>	<u>\$ 1,630,305</u>

**BOYS AND GIRLS CLUB OF SAN MARCOS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013 AND 2012**

**K. PENSION PLAN**

On July 1, 2003, the Club executed an agreement to join the Boys & Girls Clubs of America Pension Trust. The plan is a defined contribution pension plan. Employees are not permitted to contribute to this plan. The Club makes a contribution of five percent (5%) of each participant's compensation. Employees become vested in the plan based on a two-to-six year graded vesting scale.

The total pension expense for the years ended June 30, 2013 and 2012 was \$26,971 and \$24,646, respectively.

**L. RELATED PARTIES**


One board member is the owner of a printing company that the Club uses for general and special event printing. For the years ended June 30, 2013 and 2012 total printing expense paid to the board member's company was \$2,496 and \$787, respectively.

**M. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 22, 2014, the date the financial statements were available to be issued.





Project Name: <b>Auditory Screening Unit for NCHS' Project All Ready</b>		Total # of people served: 1,200/year	Amount Requested: \$4,315
Date Submitted: 6/19/14		Total # of San Marcos residents served: 400/year	
Non-Profit Organization Name and Address, Website		Contact Person – Name, Title & Phone, email	
North County Health Services 150 Valpreda Road San Marcos, CA 92069 www.nchs-health.org		Alta Farley, Grant Writer (760) 736-8723 Alta.farley@nchs-health.org	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant): <b>North County Health Services is requesting a \$4,315 grant from the San Marcos Community Foundation to purchase a new auditory screening unit for Project All Ready (PAR).</b> It will replace a 14-year old auditory screening machine that has become very unreliable and may soon be beyond repair. A new Grason-Stradler Corti DPOAE Screening Unit is portable (smaller and lighter than the current unit) and measures Otoacoustic Emissions (OAE) in infants, children and adults. It is accurate, even in noisy environments and takes seconds, instead of minutes to operate, which increases the number of children that can be screened per day, and is easier to use for children under 3 years old. Instead of an overall "pass" or "fail" reading, the new unit will report levels of 12 different frequencies, which are much more helpful when referring a child to a specialist.</p> <p><u>Briefly</u> describe the significance of your request to the San Marcos community: PAR staff is told time and again about the dramatic, positive outcomes these screenings are making in children's lives. Through follow-up calls and visits, parents gratefully relate stories of how this program's early detection identified unknown hearing problems with their children, or confirmed their suspicions.</p> <p>Through this grant, PAR will continue and increase free hearing screenings for San Marcos children before they enter kindergarten. Hearing problems that could impede learning will be detected earlier, and severity will be dramatically reduced. Through NCHS' case management, parents will be guided through getting affordable or free treatment. San Marcos Community Foundation's grant will have great impact for many years to come, helping children begin their schooling with a tool, crucial to their development—their hearing.</p>			
Please attach the following items.		Expected date project will begin/end: 8/25/14	
<b>Both Mini-Grant &amp; Regular:</b>		Date by which funds will be expended: 2/20/15	
1. Budget for request (use SMCF Budget Worksheet) 2. Annual Operating budget for the organization or unit 3. Federal & State Tax ID numbers 4. Board of Directors listing with affiliations		Signature of President or Authorized Officer	
<b>5. Regular Grants Only:</b>		 Irma Cota, President & CEO      June 19, 2014 Name, Title      Date	
a. 1-2 page narrative b. First 2 pages of Federal 990 c. Most recent year-end Statement or Audit including any management letters associated with Audit. d. Signature of President or Authorized Officer on Application e. Optional: letters of support		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>	

**SAN MARCOS COMMUNITY FOUNDATION**  
**Budget Worksheet for North County Health Services**

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

1 - Grason-Stradler Corti DPOAE Screening Unit	\$ 3,770
1 - GSI Corti Soft-sided Carry Case	\$ 60
4 sets - Eartips for toddlers and young children, single use (\$29.50/100)	\$ 118
1 set - Probe Tubes, replace after every 40 tests (\$20.00/100)	\$ 20
	\$
	\$
	\$
	\$
Subtotal	\$ 3,968
	\$
Tax	\$ 317
Shipping	\$ 30

**Total budget for this PROJECT:** \$ 4,315

**Grant Request Amount:** \$ 4,315  
*(Mini-grants not to exceed \$1,500, Regular grants not to exceed \$10,000.)*

Is this a challenge grant? No

Could it be? No

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

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

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

**NORTH COUNTY HEALTH PROJECT, INC.**  
**Operating Budget**  
**For Fiscal Year ending December 31, 2014**

**REVENUES, GAINS,  
AND OTHER SUPPORT**

Contracts and grants	14,715,398
Patient services	37,078,164
Contributions	223,554
Miscellaneous	78,076
Meaningful Use	550,000
Interest income	11,025
Contracted Pharmacy Income	821,718
<b>TOTAL REVENUES, GAIN, AND OTHER SUPPORT</b>	<b>53,477,935</b>

**EXPENSES**

Personnel	30,243,524
Fringe benefits	6,495,532
Contractual services	
Patient	871,842
Non-Patient	1,307,778
Accounting services	127,183
Consumable supplies	2,352,200
Administrative supplies	581,337
Insurance	246,271
Facilities	
Rent	451,066
Mortgage Interest	685,497
Utilities	440,575
Other Facilities Expense	678,595
Communications	376,093
Travel	301,807
Minor Equipment, maintenance and rental	824,533
Recruitment & Retention	507,521
Public Communications	219,368
Other Expenses	
Outreach	58,770
Client Assistance Expenses	43,643
Other Operating Expenses	258,582
Depreciation	
Building & Building Improvements	1,265,245
Leasehold Improvements	115,660
Equipment	233,521
Computer Equipment	448,157
Amortization of Loan Expenses	45,312
<b>TOTAL EXPENSES</b>	<b>49,179,612</b>
<b>Projected Increase in Net Assets</b>	<b>4,298,323</b>
Less Capital Grant Revenue	(4,511,463)
<b>PROJECTED DECREASE IN NET ASSETS FROM OPERATIONS</b>	<b>(213,140)</b>

OGDEN UT 84201-0038

In reply refer to: 0437870217  
Sep. 15, 2011 LTR 4168C 0  
95-2847102 000000 00  
00025203  
BODC: TE

NORTH COUNTY HEALTH PROJECT INC  
150 VALPREDA ROAD  
SAN MARCOS CA 92069-2973



002592

Employer Identification Number: 95-2847102  
Person to Contact: Exempt Organization  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Sep. 06, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in July, 1973.

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

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

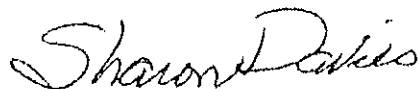
Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing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

0437870217  
Sep. 15, 2011 LTR 4168C 0  
95-2847102 000000 00  
00025204

NORTH COUNTY HEALTH PROJECT INC  
150 VALPREDA ROAD  
SAN MARCOS CA 92069-2973

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

Sincerely yours,



Sharon Davies  
Accounts Management I



## FRANCHISE TAX BOARD

SACRAMENTO, CALIFORNIA 95867

June 28, 1973

In reply refer to  
EO:JCS:ch

North County Health Project Incorporated  
170 West Mission  
San Marcos, CA 92069

Purpose: Charitable  
Form of Organization: Corporation  
Accounting Period Ending: August 31  
Organization Number: 676146

Gentlemen:

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

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

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

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

If the organization is incorporating or is a foreign corporation qualifying to do business in California, this approval will expire unless incorporation or qualification is completed within 30 days.

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

*James C. Stewart*  
James C. Stewart  
Counsel

☐ cc: Secretary of State (Corp)

# North County Health Project, Inc. 2014 Board of Directors

	Director Name	Board Position	Occupation/Business Affiliation	Residence Address	City/State	Zip	Phones	Email Address
1	Clyde H. "Bud" Beck, Jr. MD	Chair	Self-Employed, Community Health Consultant	6412 Cardeno Drive	La Jolla, CA	92037	858-459-0410 (Res) 858-231-1124 (Cell)	lechbeck@sbglobal.net
2	Sheila Brown	Vice-Chair	Palomar Health Downtown Campus, 555 E. Valley Parkway, Escondido, CA 92025, Chief Administrative Officer	5123 Wisteria Drive	Oceanside, CA	92056	760-739-3110 (Bus) 760-631-2398 (Res) 760-500-0232 (Cell)	sheila.brown@oph.org
3	Andrew S. Rinde	Secretary	Retired, Sr. Health Consultant	3556 Seahorn Circle	San Diego, CA	92130	858-720-0207 (Res) 858-353-0418 (Cell)	andyrinde@aol.com
4	Carl Pinkard	Treasurer	AKT Wealth Advisors, LP, 5946 Priestly Dr., Ste 200, Carlsbad, CA 92008, Certified Financial Advisor	26209 Emily Place	Murrieta, CA	92563	760-431-8440 (Bus) 760-698-0210 (Res) 760-585-8251 (Cell)	cpinkard@wealthadvisors.com
5	Lauren Abrams	Director	Self-Employed, Executive Leadership Consultant	7919 Corte Cardo	Carlsbad, CA	92009	760-533-4273 (Cell)	redabrams23@gmail.com
6	Adriana Andres-Paulson	Director	SD County Off. Of Education Migrant Education-Region XI, 135 Vallecitos de Oro, Suite A, San Marcos, CA 92069, Migrant Education	3055 Anaheim Terrace	Escondido, CA	92025	760-510-0259 (Bus) 760-743-3434 (Res) 760-644-1239 (Cell) 760-752-1599 (Fax)	adriana.paulson@sdcoe.net
7	Harriet H. Carter	Director	Self-Employed, Attorney-at-Law,	13190 Calle Caballeros	San Diego, CA	92129	858-484-2482 (Bus) 858-484-2482 (Res) 858-603-4631 (Cell)	harriet@harriethcarteresq.com
8	Steve Kildoo	Director	San Marcos Chamber of Commerce 904 W San Marcos Blvd, San Marcos, CA 92078, CEO	789 N. Aida	San Marcos	92069	760-744-1270 (Bus) 760-390-5812 (Cell)	sgkldoo@gmail.com
9	Andrés Ramos Martin	Director	Ramona High School, 1401 Hanson Ln, Ramona, CA 92065, Student Counselor	644 Cedar Street	San Marcos, CA	92069	760-787-4023 (Bus) 760-471-0419 (Res) 619-203-4657 (Cell) 760-787-4060 (Fax)	andresmartin@gmail.com, amartin@ramonausd.net
10	Christine Marsicano	Director	Self-Employed, Massage Therapist	6439 Olea Lane, #208	Carlsbad, CA	92011	760-809-9050 (Cell)	silversunrio@yahoo.com
11	Roberto Ramirez	Director	Mountain Meadow Mushroom Farms, Inc 26948 North Broadway Escondido, CA 92026, Owner	1202 Shay Place	Escondido CA	92026	760-746-3755 (Cell)	Roberto-Ramirez@cox.net
12	Diane M. Seaberg	Director	Self-Employed, Attorney/Consultant	8181 Torrell Way	San Diego, CA	92126	858-271-7792 (Res) 858-610-6794 (Cell)	dseaberg1@hotmail.com
13	Walt Steffen	Director	Retired, LCSW, County of San Diego	833 North Daisy	Escondido, CA	92027	760-743-3715 (Res) 760-807-3997 (Cell)	wcsteffen43@yahoo.com
14	Linda Strand	Director	Independent Energy Solutions, Inc., 1090 Joshua Way, Vista, CA 92081, President	1522 W. Borden Road	San Marcos	92069	760-752-9706 (Bus) 760-505-9436 (Cell)	Lstrand@indenergysolutions.com
15	Donald Stump	Director	North County Lifeline, 200 Michigan Ave. Vista, CA 92084, Executive Director	424 Palm Ave.	Coronado, CA	92118	760-842-6250 (Bus) 619-426-4527 (Res) 619-743-9397 (Cell)	dstump@endlifeline.org
16	Francisco Valle	Director	Tri City Medical Center, 2095 Vista Way, Suite 214, Vista, CA 92083, Marketing & Affairs Director	15270 Falcon Crest Court	San Diego, CA	92127	858-312-1884 (Res) 949-500-8852 (Cell)	franciscovalle@cox.net



# North County Health Project, Inc. Proposal

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## to San Marcos Community Foundation

### **ORGANIZATION INFORMATION:**

North County Health Project, Inc., aka North County Health Services (NCHS) is a 501(c)(3) federally qualified health center that began as an all volunteer organization in 1971. Its **mission** is *“to improve the health status of our diverse communities by providing quality healthcare that is comprehensive, affordable, and culturally sensitive.”*

**Based in San Marcos, NCHS has served San Marcos residents since 1976.** NCHS’ two San Marcos locations served 27,928 patients (100,021 visits) in 2013. Ninety-seven percent (97%) of patients had incomes below 200% of the federal poverty level (76% were below 100% FPL). Patients identified themselves as 72% Hispanic, 24% White, 2.5% Asian, 1.5% African American, and 1% other or mixed race; 45% of patients were aged 19 and under. Patients are not turned away due to their level of ability to pay for services.

NCHS' comprehensive services include adult and pediatric primary care, internal medicine, obstetrics, gynecology, perinatology, family planning, dentistry, behavioral health, radiology, lab, and a full range of enabling services, such as transportation and language interpretation. NCHS also conducts extensive outreach and assists eligible families to apply for, enroll and utilize their health insurance and is a certified Covered CA Enrollment Entity.

In addition to clinical services, NCHS has a wide range of programs in North County that focus on early prevention to maximize health outcomes. NCHS’ WIC (Women, Infants and Children supplemental nutrition program) serves almost 12,000 women and children monthly. NCHS’ Project All Ready, the subject of this proposal, provides preschoolers with vision and hearing screenings. All Star Teeth provides dental screenings for children 18 months to 12 years old, and helps their parents establish a dental/medical home at NCHS. Through NCHS' Family Nutrition Program, registered dietitians provide nutrition education and training for families with young children to form good nutritional habits from an early age.

NCHS also operates one of San Diego County's largest and most comprehensive HIV care and treatment programs. Other vital federal and state programs include medical and dental services for homeless individuals, teen pregnancy prevention, and mental health support groups.

All of NCHS' primary care health centers have received the National Committee for Quality Assurance prestigious Patient-Centered Medical Home (PCMH) level 3 recognition. This distinction recognizes long-term patient relationships, and continued improvements to quality and efficiency of care.

### **PROJECT: Auditory Screening Unit for NCHS' Project All Ready**

**North County Health Services respectfully requests a \$4,315 grant from the San Marcos Community Foundation to purchase a new auditory screening unit for Project All Ready (PAR) to replace a 14-year-old unit that is in danger of being beyond repair.**

NCHS is committed to providing physical and dental health needs to children before they enter kindergarten to reduce disparity in healthcare, and to assure children's maximum learning potential. In the first few years of life, a child’s social, emotional, and cognitive development are



## North County Health Project, Inc. Proposal

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### to San Marcos Community Foundation

greatly impacted by hearing, vision and dental problems. Through Project All Ready (PAR), NCHS provides free hearing and vision screenings to children 18 months to 5 years old at preschools, day care centers and Head Starts. The program goal is to identify conditions early and link children to medical treatment to optimize their readiness to learn.

Although vision/hearing screenings are mandated in public schools, they are not required for children under the age of 5. Children who have their vision or hearing problems detected early are very likely to have an issue that can be corrected with prompt medical attention. However, delaying detection until kindergarten or later may result in the child having a permanent condition that will require a lifetime of ongoing correctional efforts.

For many years, NCHS' PAR staff has conducted outreach to daycare settings and preschools in San Marcos to conduct free vision and hearing screenings. PAR also provides the opportunity for parents of children, not enrolled in a childcare center, to sign their children up for a free screening at a local community site, such as the San Marcos Branch Library. If a problem is identified, an NCHS case manager is assigned to ensure that proper follow-up treatment will be administered. PAR staff visits more than 25 locations in San Marcos, providing more than 400 children with free vision and hearing screenings every year.

As part of its 3-Year Strategic Plan, the NCHS Board has identified, "be the healthcare home for patients of all ages through demonstration of enhanced quality and delivery of services" and "implement innovative technology solutions" as two of the objectives. In keeping with these objectives, **North County Health Services is requesting a \$4,315 grant from the San Marcos Community Foundation to purchase a new auditory screening unit for Project All Ready (PAR).** It will replace a 14-year old auditory screening machine that has become very unreliable due to requiring frequent and expensive repairs. It is also much less accurate than newer models.

A new Grason-Stradler Corti DPOAE Screening Unit is portable (smaller and lighter than the current unit) and measures Otoacoustic Emissions (OAE) in infants, children and adults. It is accurate, even in noisy environments and takes seconds, instead of minutes to operate, which increases the number of children that can be screened per day, and is easier to use for children under 3 years old. Instead of an overall "pass" or "fail" reading, the new unit will report levels of 12 different frequencies, which are much more helpful when referring a child to a specialist. The unit has a rechargeable, 15-hour battery life and can store up to 250 tests at a time.

**PROJECT BENEFITS:** PAR staff is told time and again about the dramatic, positive outcomes these screenings are making in children's lives. Through follow-up calls and visits, parents gratefully relate stories of how this program's early detection identified unknown hearing problems with their children, or confirmed their suspicions early enough to allow for correction.

By providing a new auditory screening unit, for PAR will continue and increase free hearing screenings for San Marcos children before they enter kindergarten. Hearing problems that could impede learning will be detected earlier, and severity will be dramatically reduced. Through NCHS' case management, parents will be guided through getting affordable or free treatment. San Marcos Community Foundation's grant will have great impact for many years to come, helping children begin their schooling with a tool, crucial to their development—their hearing.

**Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

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

<b>A</b> For the 2012 calendar year, or tax year beginning 01/01, 2012, and ending 12/31, 20 12																					
<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</b> Name of organization <b>North County Health Project Inc</b></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)</td> <td>Room/suite</td> </tr> <tr> <td colspan="2"><b>150 Valpreda Road</b></td> </tr> <tr> <td colspan="2">City, town or post office, state, and ZIP code</td> </tr> <tr> <td colspan="2"><b>San Marcos, CA 92069</b></td> </tr> <tr> <td colspan="2"><b>F</b> Name and address of principal officer: <b>Phil Lenowsky</b></td> </tr> <tr> <td colspan="2"><b>150 Valpreda Road, San Marcos, CA 92069</b></td> </tr> <tr> <td colspan="2"><b>G</b> Gross receipts \$ <b>47,996,080</b></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  <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>H(c)</b> Group exemption number ▶         </td> </tr> </table>	<b>C</b> Name of organization <b>North County Health Project Inc</b>		Doing Business As		Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>150 Valpreda Road</b>		City, town or post office, state, and ZIP code		<b>San Marcos, CA 92069</b>		<b>F</b> Name and address of principal officer: <b>Phil Lenowsky</b>		<b>150 Valpreda Road, San Marcos, CA 92069</b>		<b>G</b> Gross receipts \$ <b>47,996,080</b>		<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>H(c)</b> Group exemption number ▶	
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<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>J</b> Website: ▶ <b>www.nchs-health.org</b>																					
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶																					
<b>L</b> Year of formation: <b>1973</b> <b>M</b> State of legal domicile: <b>CA</b>																					

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>NCHS' mission is to improve the health status of our diverse communities by providing quality health care that is comprehensive, affordable and culturally sensitive.</b>
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a) . . . . . <b>3</b> <b>14</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) . . . . . <b>4</b> <b>14</b>
	<b>5</b>	Total number of individuals employed in calendar year 2012 (Part V, line 2a) . . . . . <b>5</b> <b>636</b>
	<b>6</b>	Total number of volunteers (estimate if necessary) . . . . . <b>6</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>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h) . . . . . <b>12,239,176</b> <b>11,547,728</b>
	<b>9</b>	Program service revenue (Part VIII, line 2g) . . . . . <b>30,374,204</b> <b>35,446,117</b>
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . . <b>13,721</b> <b>11,899</b>
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . . <b>1,361,857</b> <b>990,336</b>
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) <b>43,988,958</b> <b>47,996,080</b>
	<b>Expenses</b>	<b>13</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>29,198,339</b> <b>29,935,819</b>
<b>16a</b>		Professional fundraising fees (Part IX, column (A), line 11e) . . . . . <b>0</b> <b>0</b>
<b>b</b>		Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>217,312</b>
<b>17</b>		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . . <b>14,526,756</b> <b>14,524,177</b>
<b>18</b>		Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) . . . . . <b>43,725,095</b> <b>44,459,996</b>
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12 . . . . . <b>263,863</b> <b>3,536,084</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16) . . . . . <b>38,178,406</b> <b>42,772,422</b>
	<b>21</b>	Total liabilities (Part X, line 26) . . . . . <b>16,579,486</b> <b>17,637,418</b>
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20 . . . . . <b>21,598,920</b> <b>25,135,004</b>

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer	Date	
	<b>Phil Lenowsky, CFO-CIO</b> Type or print name and title		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date
	<b>Jeremy Ware</b>		
	Firm's name ▶ <b>TCA Partners LLP</b>	Firm's EIN ▶ <b>20-2707086</b>	Check <input checked="" type="checkbox"/> if self-employed
	Firm's address ▶ <b>1111 East Herndon Ave Suite 211, Fresno, CA 93720</b>	Phone no. <b>559-431-7708</b>	PTIN <b>P00642659</b>

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 Accomplishments**Check if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission:

NCHS' mission is to improve the health status of our diverse communities by providing quality health care that is comprehensive, affordable and culturally sensitive. During the year, NCHS provided 246,513 visits to 55,076 patients.

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

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

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

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

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ 36,871,841 including grants of \$ 0 ) (Revenue \$ 47,996,080 )

NCHS's mission is to improve the health status of our diverse communities by providing the quality health care that is comprehensive, affordable and culturally sensitive.

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4d** Other program services (Describe in Schedule O.)

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

**4e** Total program service expenses ▶ 36,871,841

Consolidated Financial Statements

North County Health Project, Inc.  
d/b/a North County Health Services

December 31, 2013 and 2012  
(With Independent Auditors' Report Thereon)

**North County Health Project, Inc.  
d/b/a North County Health Services  
December 31, 2013 and 2012**

	<u>Page</u>
Independent Auditors' Report	1
<b>FINANCIAL STATEMENTS</b>	
Balance Sheets	3
Statements of Operations	5
Statements of Cash Flows	6
Notes to the Financial Statements	7
<b>OTHER</b>	
Independent Auditors' Report	16
Consolidated Schedule -- Balance Sheet Information	17
Consolidated Schedule -- Statement of Operations and Changes in Net Assets Information	19
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal Awards	21
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Independent Auditors' Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	25
Schedule of Findings and Questioned Costs	27

# TCA Partners, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon, Suite 211, Fresno, California 93720  
Voice: (559) 431-7708 Fax: (559) 431-7685

## *INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*

Board of Directors  
North County Health Project, Inc.  
d/b/a North County Health Services  
San Marcos, California

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

We have audited the accompanying financial statements of North County Health Project, Inc., d/b/a North County Health Services (the "Center"), which comprise the balance sheets as of December 31, 2013 and 2012 and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North County Health Project, Inc., d/b/a North County Health Services as of December 31, 2013 and 2012 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Other Legal and Regulatory Requirements**

In accordance with Government Auditing Standards, we have also issued our report dated April 22, 2014, on our consideration of the entity's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Center taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

***TCA Partners, LLP***

Fresno, California

April 22, 2014

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Balance Sheets  
December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 14,663,390	\$ 10,714,947
Patient accounts receivable, net of allowance;	1,549,478	2,492,425
Grant receivable	1,144,351	897,512
Contributions receivable	-	20,967
Estimated amounts due from third-party payers	2,890,307	5,394,116
Other receivables	430,955	638,859
Inventories	281,223	269,867
Prepaid expenses and other current assets	620,457	321,835
Total current assets	<u>21,580,161</u>	<u>20,750,528</u>
Assets limited as to use:		
Held by trustee	416,780	416,780
Deferred compensation	1,512,779	1,026,112
	<u>1,929,559</u>	<u>1,442,892</u>
Property and equipment, at cost:		
Land and land improvements	5,036,550	5,036,550
Buildings and leasehold improvements	20,356,965	19,327,163
Equipment	5,784,114	6,283,629
Construction in progress	1,049,952	963,927
	<u>32,227,581</u>	<u>31,611,269</u>
Less accumulated depreciation	<u>(12,816,914)</u>	<u>(11,987,031)</u>
	19,410,667	19,624,238
Other assets:		
Prepaid expenses and other long-term assets	934,960	954,764
Long-term investments	1,805,749	-
Total assets	<u>\$ 45,661,096</u>	<u>\$ 42,772,422</u>

*See Notes to Financial Statements*



**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Balance Sheets  
December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Liabilities</b>		
Current liabilities		
Current maturities of long-term liabilities	\$ 284,787	\$ 272,802
Accounts payable	990,631	1,341,995
Accrued expenses	3,058,412	2,885,763
Deferred grant revenue	241,516	147,593
Total current liabilities	<u>4,575,346</u>	<u>4,648,153</u>
Deferred compensation	1,512,779	1,026,112
Long-term liabilities	<u>11,643,176</u>	<u>11,963,153</u>
Total liabilities	<u>17,731,301</u>	<u>17,637,418</u>
<b>Net Assets</b>		
Unrestricted	<u>27,929,795</u>	<u>25,135,004</u>
Total net assets	<u>27,929,795</u>	<u>25,135,004</u>
Total liabilities and net assets	<u>\$ 45,661,096</u>	<u>\$ 42,772,422</u>

*See Notes to Financial Statements*

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Statements of Operations  
Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Change in Unrestricted Net Assets:</b>		
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 35,322,993	\$ 35,446,117
Grant revenue	10,771,366	10,527,291
Contributions	461,957	652,243
Other	426,907	1,077,452
Total unrestricted revenues, gains and other support	<u>46,983,223</u>	<u>47,703,103</u>
Expenses and losses:		
Salaries and wages	26,285,281	24,918,220
Employee benefits	5,182,749	5,017,600
Purchased services and professional fees	2,802,504	2,683,566
Supplies and other	6,169,676	6,181,057
Contractual services	1,636,115	2,383,601
Rent	396,665	369,815
Insurance	237,579	179,746
Client assistance	98,630	157,549
Depreciation	1,896,503	1,900,324
Interest	623,320	628,644
Total expenses	<u>45,329,022</u>	<u>44,420,122</u>
Excess revenues over expenses	<u>1,654,201</u>	<u>3,282,981</u>
Grants for acquisition of property and equipment	1,160,006	292,977
Loss of disposal of property and equipment	<u>(19,416)</u>	<u>(39,874)</u>
Change in unrestricted net assets	<u>2,794,791</u>	<u>3,536,084</u>
<b>Net Assets:</b>		
Beginning of year	25,135,004	21,598,920
End of year	<u>\$ 27,929,795</u>	<u>\$ 25,135,004</u>

*See Notes to Financial Statements*

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2013 and 2012**

<b>Cash Flows from Operating Activities</b>	<b>2013</b>	<b>2012</b>
Change in net assets	\$ 2,794,791	\$ 3,536,084
Adjustments to reconcile operating income in net assets to net cash provided by operating activities:		
Loss on disposal of property and equipment	19,416	39,874
Depreciation and amortization	1,896,503	1,900,324
Grants for the acquisition of property and equipment	(1,160,006)	(292,977)
Amortization of refundable loan	(35,190)	(28,012)
Changes in operating assets and liabilities:		
Patient accounts receivable, net	942,947	(667,854)
Grants receivable	(246,839)	24,224
Contributions receivable	20,967	84,910
Estimated amounts due from and to third-party payers	2,503,809	(2,205,513)
Prepaid and other	(82,270)	502,502
Accounts payable and accrued expenses	(178,715)	20,033
Deferred revenue	93,923	(51,912)
Net cash provided by operating activities	6,569,336	2,861,683
<b>Cash Flows from Investing Activities</b>		
Purchase of long-term investments	(1,805,749)	-
Purchase of property and equipment	(1,702,348)	(2,146,119)
Net cash used in investing activities	(3,508,097)	(2,146,119)
<b>Cash Flows from Financing Activities</b>		
Proceeds from grants for acquisition of property and equipment	1,160,006	292,977
Proceeds from issuance of long-term debt	-	1,130,000
Principal payments on long-term debt	(272,802)	(260,827)
Net cash provided by financing activities	887,204	1,162,150
Increase in cash and cash equivalents	3,948,443	1,877,714
<b>Cash and Cash Equivalents:</b>		
Beginning of year	10,714,947	8,837,233
End of year	<u>\$ 14,663,390</u>	<u>\$ 10,714,947</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	<u>\$ 569,020</u>	<u>\$ 628,644</u>

*See Notes to Financial Statements*

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Notes to Financial Statements  
December 31, 2013 and 2012**

**Note 1: Summary of Significant Accounting Policies**

***Organization and Operations***

North County Health Project, Inc., d/b/a North County Health Services (the "Center"), is a federally qualified health center that works to further its mission to "improve the health status of our diverse communities by providing quality health care that is comprehensive, affordable and culturally sensitive." The Center primarily earns revenues by providing medical, dental and mental health services through clinics located in Carlsbad, Encinitas, Oceanside, Ramona and San Marcos, California. In October 2008 the Center formed a new 501(c) (3) California nonprofit public benefit corporations named NCHS-Loma Alta. The purpose of the new corporation is to support the charitable purpose and activities of the Center, including the holding of New Market Tax Credit Loan.

The Center derives its support through grants and contracts with the U.S. Department of Health and Human Services ("DHHS"), US Department of Agriculture ("USDA"), the State of California, the County of San Diego, and various other entities. Additionally, revenues are derived from patient fees and third party charges.

***Cash and Cash Equivalents***

The Center considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents. At December 31, 2013 and 2012, cash equivalents consisted primarily of money market accounts. Of the cash balances as of December 31, 2013 and 2012, \$1,152,242 and \$7,037,833 respectively was covered by federal depository insurance and \$13,511,148 and \$3,677,114, respectively, was uninsured.

***Investment Return***

Investment return is comprised of interest income and is reported in the statements of operations.

***Patient Accounts Receivable***

The Center reports patient accounts receivable for services rendered at estimated net realizable amounts from third-party payers, patients and others. The Center provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, the Center bills third-party payers directly and bills the patient when the patient's liability is determined. Patient account receivables are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts and sent to collections based on individual credit evaluation and specific circumstances of the account.

***Third-Party Contractual Agreements***

The Center has agreements with Medicare that provide payments under a cost-based reimbursement system and with Medi-Cal that provide payments under the Prospective Payment System ("PPS"). In the case of Medicare, reasonable estimates are made and reported in the period services are rendered, and differences between the estimates and actual receipts are included in the statement of operations in the period in which they are determined. In the case of Medi-Cal, payments under the PPS system are final, unless the number of reimbursable visits is changed as a result of an audit by the State of California, Department of Healthcare Services. In addition, under the Medi-Cal PPS, the Center may apply for a change-in-scope of services annually. This process may result in additional Medi-Cal reimbursement for the Center.

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Notes to Financial Statements  
December 31, 2013 and 2012**

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Inventories***

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

***Assets Limited As to Use***

Assets limited as to use include cash held by trustee related to Center debt agreements, and assets set aside for deferred retirement benefits.

***Property and Equipment***

Land, building and equipment are carried at cost or estimated fair value at date of acquisition. The Center capitalizes all acquisitions greater than \$5,000 and such assets are depreciated on a straight-line basis over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. Certain property and equipment have been purchased with grant funds received from various federal agencies. Such items, or a portion thereof, may be reclaimed by the federal government if not used to further the grant's objectives.

Donations of property and equipment are reported at fair market value as an increase in unrestricted net assets unless the donor restricts use of the assets. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service. Donor restricted contributions for property and equipment whose restrictions are met within the same year as received are reported as unrestricted contributions. Construction-in-progress is recorded at cost and is capitalized upon completion. Depreciation is recorded when construction is substantially complete and the assets are placed in service.

***Use of 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.

***Temporarily and Permanently Restricted Net Assets***

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

***Donated Supplies***

The Center recognizes donated pharmaceuticals at fair value. Donated pharmaceuticals totaling \$350,974 and \$420,783 are recorded as contribution revenue and supplies and other expense for the years ended December 31, 2013 and 2012, respectively.

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Notes to Financial Statements  
December 31, 2013 and 2012**

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Income Taxes***

The Center has been recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and taxation Code by the IRS and Franchise Tax Board, respectively. Accordingly, no provision for income taxes is included in the accompanying financial statements. The tax years of 2007 through 2012 remain open and subject to examination by the appropriate agencies in the United States and California.

***Net Patient Service Revenue***

The Center has agreements with third-party payers that provide for payments to the Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

***Contributions***

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. Gifts received with donor stipulations are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions. Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

***Excess of Revenues Over Expenses***

The consolidated statements of operations include the excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions and grants to be used for the purpose of acquiring such assets).

***Reclassification***

Certain reclassifications have been made to the 2012 financial statements to conform to the 2013 financial statement presentation. These reclassifications had no effect on the changes in net assets.

***Subsequent Events***

The Center has evaluated all events and transactions that have occurred after December 31, 2013 and through April 22, 2014, the date of the financial statements and notes to financial statement were available to be issued. During this period no events or transactions occurred that would require adjustments of the financial statements or disclosure in the accompanying notes.

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Notes to Financial Statements  
December 31, 2013 and 2012**

**Note 2: Fair Value of Financial Instruments**

Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures*, requires the fair value of financial assets and liabilities to be determined using a specific fair-value hierarchy. The objective of the fair value measurement of financial instruments is to reflect the hypothetical amounts at which the Center could sell assets or transfer liabilities in an orderly transaction between market participants at the measurement date. FASB ASC 820 describes three levels of inputs that may be used to measure fair value:

**Level 1** - Quoted prices in active markets for identical assets;

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;

**Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2013:

	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
December 31, 2013:				
Money market funds	\$ 2,968,313	\$ 2,968,313	\$ -	\$ -
Stocks	33,540	33,540	-	-
Life insurance contracts	1,805,749	1,805,749		
Total	<u>\$ 4,807,602</u>	<u>\$ 4,807,602</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2012:				
Money market funds	\$ 1,874,201	\$ 1,874,201	\$ -	\$ -
Stocks	25,799	25,799		
Total	<u>\$ 1,900,000</u>	<u>\$ 1,900,000</u>	<u>\$ -</u>	<u>\$ -</u>

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

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Notes to Financial Statements  
December 31, 2013 and 2012**

**Note 3: Grant Revenue**

The Center is the recipient of a couple of Consolidated Health Center (CHC) grants from the U.S. Department of Health and Human Services. The general purpose of the grants is to provide expanded health care service delivery for residents of northern San Diego County, California. Terms of the grants generally provide for funding of the Center's operations based on an approved budget. During the years ended December 31, 2013 and 2012, the Center recognized \$5,659,005 and \$5,262,098 in CHC grant revenue, respectively. Grant revenue is recognized as qualifying expenditures are incurred over the grant period.

In addition to the CHC grants, the Center receives financial support from other federal, state and private sources. Generally, such support requires compliance with terms and conditions specified in grant agreements or award letters and must be renewed on an annual basis.

**Note 4: Net Patient Service Revenue**

The Center is approved as a Federally Qualified Health Center (FQHC) for both Medicare and Medi-Cal reimbursement purposes. The Center has agreements with third-party payers that provide for payments to the Center at amounts different from its established rates. These payment arrangements include:

***Medicare***

Covered FQHC services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology. The Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of an annual cost report by the Center and audit thereof by the Medicare fiscal intermediary. Services not covered under the FQHC benefit are paid based on established fee schedules.

***Medi-Cal***

Covered FQHC services rendered to Medi-Cal program beneficiaries are paid based on a prospective reimbursement methodology. The Center is reimbursed a set encounter rate for all services provided under the plan. Services not covered under the FQHC benefit are paid based on established fee schedules.

Approximately 81% and 77% of net patient service revenues are from participation in the Medicare and state-sponsored Medi-Cal programs for the years ended December 31, 2013 and 2012, respectively. Laws and regulations governing the Medicare and Medi-Cal programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Center under these agreements includes prospectively determined rates and discounts from established charges. The Center also has agreements for capitated patients for which North County Health Services receives a fixed amount per month per member to take care of member's primary and specialty medical care.



**North County Health Project, Inc.**  
**d/b/a North County Health Services**  
**Consolidated Notes to Financial Statements**  
**December 31, 2013 and 2012**

**Note 5: Concentrations of Credit Risk**

The Center grants credit without collateral to its patients, most of who are area residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at December 31, 2013 and 2012, was:

	2013	2012
Medicare	7%	2%
Medi-Cal	47%	76%
Other third-party payers	31%	17%
Private Pay	15%	5%
	<u>100%</u>	<u>100%</u>

**Note 6: Deferred Grant Revenue**

Deferred grant revenue consist of the following at December 31, 2013 and 2012:

	2013	2012
Tides Foundation	\$ 6,057	\$ 19,135
Blue Shield of California Foundation	13,704	10,518
McChesney Foundation	178	25,504
Leichtag Foundation	5,673	50,000
California Community Foundation	42,641	-
CHF ER Program	35,000	-
Kaiser Permanente Provision PT	25,000	-
Other	113,263	42,436
	<u>\$ 241,516</u>	<u>\$ 147,593</u>

**Note 7: Line-of-Credit**

The Center has a \$2,000,000 line-of-credit; expiring January 1, 2016. The line of credit is collateralized by receivables. At December 31, 2013 and 2012, there was no balance outstanding on the line-of-credit.

**North County Health Project, Inc.**  
**d/b/a North County Health Services**  
**Consolidated Notes to Financial Statements**  
**December 31, 2013 and 2012**

**Note 8: Long-Term Debt**

	2013	2012
On February 5, 2010 NCHS-Loma Alta entered into a New Market Tax Credit loan agreement through Impact V CDE3 LLC/NCB-Capital Impact. The agreement consists of three loans in the amounts of \$4,483,500, \$1,891,500 and \$750,000 for a total of \$7,125,000. All three promissory notes bear an annual interest rate of 5.546% and mature on February 4, 2016 at which time the principal balance of \$7,125,000 is due in full. The three notes are secured by the Oceanside real property.	7,125,000	7,125,000
The Center entered into a loan agreement with City National Bank on December 1, 2012 in the amount of \$4,500,000. These funds were used to refinance existing debt in January 2011 and to purchase property that was formerly being leased. This agreement consists of two loans in the amounts of \$3,500,000 and \$1,000,000. Series A loan is in the amount of \$3,500,000 and bears an interest rate of 4.32% with a maturity date of January 1, 2026. The Series B loan in the amount of \$1,000,000 and bears an interest rate of 4.1% with a maturity date of January 1, 2021. Collateral for these loans include real property.	3,736,165	4,008,968
The Center entered into a loan agreement with the City of Carlsbad on February 15, 2012 in the amount of \$1,130,000. These funds were allocated from a Community Block Development Grant (CDBG) as a no interest, deferred, and forgivable loan to be used for the acquisition of property for a health center to serve low income households. The loan has a term of 20 years and is forgivable upon the expiration of the term of the loan if the property has been maintained and operated as a health center consistent with the conditions of the loan.	1,066,798	1,101,987
Total long term debt	11,927,963	12,235,955
Less: current portion	(284,787)	(272,802)
	<u>\$11,643,176</u>	<u>\$11,963,153</u>

The Center entered into a 10 year \$3,000,000 loan with City National Bank to partially finance the development of a new site as of December 19, 2013. The Center did not draw any of these funds during the year ended December 31, 2013.

The interest expense in 2013 was \$569,020 and the aggregate annual maturities of long-term debt at December 31, 2013, are:

2014	284,787
2015	297,300
2016	7,434,980
2017	323,981
2018	338,215
Thereafter	3,248,700
	<u>\$ 11,927,963</u>

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Notes to Financial Statements  
December 31, 2013 and 2012**

**Note 9: Commitments and Contingencies**

***Operating Leases***

Non-cancelable operating leases for the Center's facilities expire in various years through 2021. Future minimum lease payments are as follows: \$423,066 in 2014; \$223,157 in 2015; \$113,475 in 2016; \$99,625 in 2017; \$102,613 in 2018 and \$229,633 thereafter.

***Self-Insurance***

The Center was self-insured for employee worker's compensation insurance benefits prior to December 1, 2006 when the Center chose to purchase workers' compensation coverage for future claims.

The accrual for self-insurance is evaluated periodically throughout the fiscal year for adequacy based on staffing changes. The Center is liable for all workers' compensation claims up to \$250,000 that occurred through November 30, 2006. Individual claims that exceed the \$250,000 per claim self-insurance deductible are fully insured by a third-party insurance company. There is no aggregate deductible.

***Malpractice Claims***

The U.S. Department of Health and Human Services has deemed the Center and its practicing physicians covered under the Federal Tort Claims Act (FTCA) for damage for personal injury, including death, resulting from the performance of medical, surgical, dental and related functions. FTCA coverage is comparable to an occurrence policy without a monetary cap. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Center's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

***Pension Plan***

The Center has a 403(b) defined contribution pension plan covering substantially all employees who meet the eligibility requirements. The Center provides a discretionary match of eligible employee contributions to the plan up to 4% of employees' salaries. Pension expense related to the 403(b) defined contribution pension plan was \$552,394 and \$550,434 for the years ended December 31, 2013 and 2012, respectively.

The Center provides a 457(b) deferred compensation plan for certain providers and executive management as a retention benefit. Under the terms of this plan, the deferred compensation liability and related assets limited as to use are recorded by the Center and are subject to the general creditors of the Center. Expense related to the 457(b) deferred compensation plan was \$329,963 and \$288,052 for the years ended December 31, 2013 and 2012, respectively.

***Forgivable Loan***

The Center entered into a loan agreement with the City of Carlsbad on February 15, 2012 in the amount of \$1,130,000. These funds were allocated from a Community Block Development Grant as a no interest, deferred, and forgivable loan to be used for the acquisition of property for a clinic to serve low income households. The loan has a term of 20 years and is forgivable upon the expiration of the term of the loan if the property has been maintained and operated as a clinic consistent with the conditions of the loan. The loan is being amortized over the life of the agreement, but in the case the Center does not maintain the clinic, the Center may be liable to refund the entire amount of the original loan to the City of Carlsbad.

**North County Health Project, Inc.  
d/b/a North County Health Services  
Consolidated Notes to Financial Statements  
December 31, 2013 and 2012**

**Note 10: Functional Expenses**

The Center provides healthcare services to residents within its service area. Expenses related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Healthcare program services	\$37,097,655	\$36,852,710
General and administrative	7,916,432	7,350,100
Fundraising	314,935	217,312
	<u>\$45,329,022</u>	<u>\$44,420,122</u>

# **TCA Partners, LLP**

A Certified Public Accountancy Limited Liability Partnership

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## ***Independent Accountants' Report on Consolidating Schedules***

Board of Directors  
North County Health Project, Inc.  
d/b/a North County Health Services  
San Marcos, California

We have audited and reported separately herein on the consolidated financial statements of North County Project, Inc., d/b/a North County Health Services (the "Center") as of and for the year ended December 31, 2013.

Our audit was conducted for the purpose of forming an opinion on the financial statements of North County Project, Inc., d/b/a North County Health Services taken as a whole. The consolidating information include in page 17 through 19 is presented for purposes of additional analysis and is not a required part of the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***TCA Partners, LLP***

Fresno, California

April 22, 2014

**North County Health Project, Inc.**  
**d/b/a North County Health Services**  
**Consolidating Schedule - Balance Sheets Information**  
**December 31, 2013**

	NCHS	Loma Alta	Eliminations	Consolidated
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 14,468,426	\$ 194,964	\$ -	\$ 14,663,390
Patient accounts receivable, net of allowance	1,549,478	-	-	1,549,478
Grant receivable	1,144,351	-	-	1,144,351
Contributions receivable	-	-	-	-
Estimated amounts due from third-party payers	2,890,307	-	-	2,890,307
Other receivables	430,955	554,238	(554,238)	430,955
Inventories	281,223	-	-	281,223
Prepaid expenses and other current assets	564,452	56,005	-	620,457
Total current assets	21,329,192	805,207	(554,238)	21,580,161
Assets limited as to use				
Held by trustee	416,780	-	-	416,780
Deferred compensation	1,512,779	-	-	1,512,779
	1,929,559	-	-	1,929,559
Property and equipment, at cost				
Land and land improvements	5,036,550	-	-	5,036,550
Buildings and leasehold improvements	13,478,578	6,878,387	-	20,356,965
Equipment	5,784,114	-	-	5,784,114
Construction in progress	1,049,952	-	-	1,049,952
	25,349,194	6,878,387	-	32,227,581
Less accumulated depreciation	(10,931,119)	(1,885,795)	-	(12,816,914)
	14,418,075	4,992,592	-	19,410,667
Other assets				
Prepaid and other long-term assets	934,960	-	-	934,960
Long term investments	1,805,749	-	-	1,805,749
Total assets	\$ 40,417,535	\$5,797,799	\$ (554,238)	\$ 45,661,096

**North County Health Project, Inc.**  
**d/b/a North County Health Services**  
**Consolidating Schedule - Balance Sheets Information**  
**December 31, 2013**

	<b>NCHS</b>	<b>Loma Alta</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Current maturities of long-term liabilities	\$ 284,787	\$ -	\$ -	\$ 284,787
Accounts payable	990,631	-	-	990,631
Accrued expenses	3,058,412	-	-	3,058,412
Other Payables	554,238	-	(554,238)	-
Deferred grant revenue	241,516	-	-	241,516
Total current liabilities	5,129,584	-	(554,238)	4,575,346
Deferred Compensation	1,512,779	-	-	1,512,779
Long-Term Liabilities	4,518,176	7,125,000	-	11,643,176
Total liabilities	11,160,539	7,125,000	(554,238)	17,731,301
<b>Net Assets</b>				
Unrestricted	29,256,996	(1,327,201)	-	27,929,795
Total net assets	29,256,996	(1,327,201)	-	27,929,795
Total liabilities and net assets	\$40,417,535	\$5,797,799	\$ (554,238)	\$ 45,661,096

**North County Health Project, Inc.**  
**d/b/a North County Health Services**  
**Consolidating Schedule – Statement of Operations and Changes in Net Assets Information**  
**December 31, 2013**

	<b>NCHS</b>	<b>Loma Alta</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Change in Unrestricted Net Assets</b>				
Unrestricted revenues, gains and other support:				
Net patient service revenue	\$ 35,322,993	\$ -	\$ -	\$ 35,322,993
Grant revenue	10,771,366	-	-	10,771,366
Contributions	461,957	-	-	461,957
Other	426,907	405,600	(405,600)	426,907
Total unrestricted revenues, and other support	46,983,223	405,600	(405,600)	46,983,223
Expenses and Losses:				
Salaries and wages	26,285,281	-	-	26,285,281
Employee benefits	5,182,749	-	-	5,182,749
Purchased services and professional fees	2,802,504	-	-	2,802,504
Supplies and other	6,169,651	25	-	6,169,676
Contractual services	1,636,115	-	-	1,636,115
Rent	802,265	-	(405,600)	396,665
Insurance	237,579	-	-	237,579
Client assistance	98,630	-	-	98,630
Depreciation	1,469,838	426,665	-	1,896,503
Interest	222,679	400,641	-	623,320
Total expenses	44,907,291	827,331	(405,600)	45,329,022
Excess revenues over expenses	2,075,932	(421,731)	-	1,654,201
Grants for acquisition of property and equipment	1,160,006	-	-	1,160,006
Loss on sale of property and equipment	(19,416)	-	-	(19,416)
Increase (decrease) in unrestricted net assets	3,216,522	(421,731)	-	2,794,791
Change in net assets	3,216,522	(421,731)	-	2,794,791
Net assets:				
Beginning of year	26,040,474	(905,470)	-	25,135,004
End of year	\$ 29,256,996	\$ (1,327,201)	\$ -	\$ 27,929,795



## **Supplementary Information**

**North County Health Project, Inc.  
d/b/a North County Health Services  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2013**

<b>Grantor</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Health and Human Services:</u></b>		
<b>Direct:</b>		
Consolidated Health Centers -330 grant, CPSE, ESSP	*93.224	\$ 5,659,005
ACA Capital Development Grant (CDG)	*93.526	747,119
Ryan White Part C Outpatient EIS Program	*93.918	341,728
		<u>6,747,852</u>
<b>Pass through:</b>		
<b><u>Family Health Centers of San Diego</u></b>		
Consolidated Health Centers- Homeless Grant (HG)	*93.224	20,282
<b><u>County of San Diego</u></b>		
Expanded HIV Testing	93.943	80,513
HIV High Acuity Case Management	93.917	149,112
Ryan White Part A- HIV Case Management	*93.914	216,090
HIV Counseling and Testing Services	*93.914	34,522
HIV Early Intervention Service Center	*93.914	78,159
<b><u>California Family Health Council</u></b>		
Title X Family Planning	93.217	167,695
<b><u>Regents of University of California San Diego</u></b>		
Ryan White Part D	93.153	31,552
<b><u>City of Carlsbad</u></b>		
Community Development Block Grant Forgivable Loan	93.383	89,502
<b>Total U.S. Department of Health and Human Services</b>		<u><u>7,615,279</u></u>
<b><u>U.S. Department of Agriculture:</u></b>		
<b>Pass through:</b>		
<b><u>California Department of Health Care Services</u></b>		
WIC Peer Counseling Breastfeeding	*10.557	211,302
WIC Farmers Nutrition Market Program	10.572	1,183
Supplemental Nutrition Program for Woman, Infants and Children	*10.557	2,258,377
<b>Total U.S. Department of Agriculture</b>		<u><u>2,470,862</u></u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 10,086,141</u></u>

\*Major Programs

**North County Health Project, Inc.  
d/b/a North County Health Services  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2013**

**Note A: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the expenditures of North County Health Services (the "Center") under programs of the federal government for the year ended December 31, 2013. Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows for the Center.

For purposes of the Schedule, federal awards include all grants and contracts entered into directly between the Center, agencies, and departments of the federal government. The awards are classified into major program categories in accordance with the provisions of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Government and Non-Profit Organizations.

**Note B: Basis of Accounting**

For purposes of the Schedule, expenditures for federal programs are recognized on the accrual basis of accounting. Expenditures are determined using the cost accounting principles and procedures set forth in OMB Circular A-122, Cost Principles for Non-Profit Organizations.

**Note C: Relationship of Schedule of Expenditures of Federal Awards to Financial Statements**

Consistent with management's policy, federal awards are recorded in various revenue categories. As a result, the amount of total federal awards expended on the Schedule does not agree to total grant revenue on the Statement of Operations and Changes in Net Assets as presented in the Center's Report on Audited Financial Statements.

**Note D: Pass-Through Awards**

North County Project, Inc., d/b/a North County Health Services provided federal awards to subrecipients as follows:

<b>Cluster/Program</b>	<b>Subrecipient</b>	<b>CFDA Number</b>	<b>Amount Expended</b>
Grants to provide Outpatient Early Intervention Services with Respect to HIV Disease	Vista Community Clinic	93.918	\$ 60,667
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	Neighborhood Health Center	93.918	69,894
			<u>\$ 130,561</u>

# TCA Partners, LLP

A Certified Public Accountancy Limited Liability Partnership  
1111 East Herndon, Suite 211, Fresno, California 93720  
Voice: (559) 431-7708 Fax: (559) 431-7685

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

### Independent Auditor's Report

Board of Directors  
North County Health Project, Inc.  
d/b/a North County Health Services  
San Marcos, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of North County Health Project, Inc., d/b/a North County Health Services (the "Center"), which comprise the balance sheets as of December 31, 2013 and 2012 and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 22, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered North County Health Project, 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Center's internal control.

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*TCA Partners, LLP*

Fresno, California  
April 22, 2014

# TCA Partners, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon, Suite 211, Fresno, California 93720

Voice: (559) 431-7708 Fax: (559) 431-7685

## **Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

### Independent Auditor's Report

Board of Directors  
North County Health Project, Inc.  
d/b/a North County Health Services  
San Marcos, California

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

We have audited North County Health Project, Inc.'s, d/b/a North County Health Services (the "Center") 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 the Center's major federal programs for the year ended December 31, 2013. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with 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 the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, North County Health Project, Inc., d/b/a North County Health Services complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013

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

Management of North County Health Project, 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 the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the Center's internal control over compliance.

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

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

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

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the Center as of and for the year ended December 31, 2013, and have issued our report thereon dated April 22, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

***7CA Partners, LLP***

Fresno, California

April 22, 2014

**North County Health Project, Inc.  
d/b/a North County Health Services  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2013**

**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unqualified

Internal Control over financial reporting: \_\_\_\_\_ yes        X   no

Material weakness identified?

Significant deficiency(ies) identified that are not \_\_\_\_\_ yes        X   None Reported

considered to be material weaknesses?

Noncompliance material to the financial \_\_\_\_\_ yes        X   no

statements was disclosed by the audit?

**Federal Awards**

Internal control over major programs: \_\_\_\_\_ yes        X   no

Material weakness identified?

Significant deficiency(ies) identified that are not \_\_\_\_\_ yes        X   None Reported

considered to be material weaknesses?

Type of auditor's report issued on compliance Unqualified

for major programs:

Any audit findings disclosed that are required to \_\_\_\_\_ yes        X   no

be reported by OMB Circular A-133.

**Identification of Major Program**

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
93.224	Community Health Centers
93.526	ACA Capital Development Grant
93.918	Ryan White Part C- Outpatient Early Intervention Services Program
93.224	Consolidated Health Centers- Homeless Grant
93.914	Ryan White Part A- HIV Case Management
93.914	HIV Counseling and Testing Services
93.914	HIV Early Intervention Service Center
10.557	WIC Peer Counseling Breastfeeding
10.557	Supplemental Nutrition Program for Woman, Infants and Children

Dollar threshold used to distinguish between \$302,584

Type A and B programs

The Center qualified as a low-risk auditee \_\_\_\_\_   X   yes      \_\_\_\_\_ no



**North County Health Project, Inc.  
d/b/a North County Health Services  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2013**

**II Current Year Audit Findings and Questioned Costs**

**Financial Statement Findings:**

No matters are reportable.

**Federal Awards Findings and Questioned Costs:**

No matters are reportable.

**III Prior Year Audit Findings and Questioned Costs**

None Reported

## Alta Farley

---

**From:** Imelda Sanchez  
**Sent:** Wednesday, June 18, 2014 3:26 PM  
**To:** Romanna Ferriter  
**Subject:** FW: Project All Ready

Hi Alta,

Great success story for hearing.

### Imelda Paz

Project All Ready Assistant  
t. (760) 736-8702  
[Imelda.sanchez@nchs-health.org](mailto:Imelda.sanchez@nchs-health.org)  
[www.nchs-health.org](http://www.nchs-health.org)



*we're here for you.*

### Follow Us:



NCHS is proud to announce that we have achieved the highest level Patient Centered Medical Home (PCMH) recognition from the NCQA.

---

**From:** Melinda Q. Ruiz [mailto:RuizMQ@TCMC.com]  
**Sent:** Friday, June 28, 2013 7:22 AM  
**To:** Imelda Sanchez  
**Subject:** RE: Project All Ready

Hi Imelda,

My son had been sick almost continuously for about 6 months (he would be home sick, get better, go back to preschool and be sick again within 1-3 days), and he was increasingly asking, "What did you say?" or stating, "I did not hear you." It was usually just a cold and cough, but he never complained of ear pain nor was diagnosed with any ear infections during those times he was sick. After having his hearing screened at preschool through Project All Ready, he was referred to his doctor. The night before he was scheduled to go to the doctor's office for his hearing re-screen he got sick again complaining of throat pain. The doctor put him on antibiotics for tonsillitis, and then a few weeks later he went back to the doctor for the hearing re-screen, which still showed a problem. The doctor referred him to an ENT.

A couple of weeks later when I took him to the ENT, she only had to take one look in his throat and ears before turning to us to say that he was one of the 5% of children with this condition that needed to have surgery ASAP to remove the

adenoids, tonsils and insert tubes in both ears. His adenoids were so enlarged that the fluid from his ears was not draining.

As we were waiting the month for him to have surgery his hearing continuously worsened to the point that he was bringing his better ear up to our mouths asking us, "What did you say?" His hearing seemed to be much better after the surgery, and his hearing re-screen by the LA specialist was within normal limits!

Thank you all for catching this early so the process was expedited! I really appreciate it!

Thanks again,

Melinda

Melinda Ruiz | MSN, CNS-BC, RNC-OB, RNC-MNN, C-EFM

Tri-City Medical Center | Mother Baby & Antepartum Clinical Nurse Specialist

4002 Vista Way | Oceanside, CA 92056

Phone 760-940-7346 | Pager 760-926-0134 | Fax 760-940-4046

[ruizmq@tcmc.com](mailto:ruizmq@tcmc.com) | [www.tricitymed.org](http://www.tricitymed.org)

#### CONFIDENTIALITY NOTICE

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---

**From:** Imelda Sanchez [<mailto:Imelda.Sanchez@nchs-health.org>]

**Sent:** Thursday, June 27, 2013 15:48

**To:** Melinda Q. Ruiz

**Subject:** Project All Ready

Hi Melinda

It would be great if you can please share your success story about your son and how our program is beneficial to families.

Thank you

**Imelda Paz**  
**Project All Ready Assistant**

**North County Health Services**  
**150 Valpreda Rd.**  
**San Marcos, Ca. 92069**  
**Office (760) 736-8702**  
**Fax (760) 736-6782**  
**[Imelda.Sanchez@nchs-health.org](mailto:Imelda.Sanchez@nchs-health.org)**  
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For the location nearest you visit [www.nchs-health.org](http://www.nchs-health.org)





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

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

<b>Project Name:</b> Employment Services <b>Date Submitted:</b> 6/16/14	<b>Total # of people served:</b> 1,000 <b>Total # of San Marcos residents served:</b> 10	<b>Amount Requested:</b> \$10,000
<b>Non-Profit Organization Name and Address, Website</b>  Partnerships With Industry 7540 Metropolitan Drive, Suite 105 San Diego, CA 92108		<b>Contact Person – Name, Title &amp; Phone, email</b>  Mark Berger President & CEO (619) 681-1999 ext. 1103; mberger@pwiworks.org
<b>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</b> Currently, ten of PWI's clients live in the City of San Marcos. This request will provide the vocational assessment, training, placement and on-going support nine adults with disabilities, living in San Marcos, need to thrive in a work environment. Each year PWI must raise approximately \$1100 for each of the individuals it serves. A grant of \$10,000 from the San Marcos Community Foundation will provide nine clients from San Marcos with the workplace opportunities they need to move toward maximum independence.		
<b>Briefly describe the significance of your request to the San Marcos community:</b> According to the most recent US Census, 6465 adults living in San Marcos have a disability and 296 children have a disability. Adults with disabilities are the single minority with the highest unemployment rate, at 75 percent. PWI has opened the doors for adults with intellectual and/or developmental disabilities, who want to work, to find meaningful employment and move toward maximum independence; stimulating the economy and reducing their dependency on government support through Social Security Disability.		
<b>Please attach the following items.</b> <b>Both Mini-Grant &amp; Regular:</b> 1. Budget for request (use SMCF Budget Worksheet) 2. Annual Operating budget for the organization or unit 3. Federal & State Tax ID numbers 4. Board of Directors listing with affiliations <b>5. Regular Grants Only:</b> a. 1-2 page narrative b. First 2 pages of Federal 990 c. Most recent year-end Statement or Audit including any management letters associated with Audit. d. Signature of President or Authorized Officer on Application e. Optional: letters of support		<b>Expected date project will begin/end:</b> 7/1/14 – 6/30/15  <b>Date by which funds will be expended:</b> 6/30/15  <b>Signature of President or Authorized Officer</b> <div style="text-align: center;"> Name, Title                      Date <div style="display: flex; justify-content: space-around;"><span>MARK BERGER</span><span>PRESIDENT</span></div></div> <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>

# SAN MARCOS COMMUNITY FOUNDATION

## Budget Worksheet

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

70 Job Coaches including salary, tax, and benefits	\$ 1,549,199
375 Client Salaries and Wages (most clients paid directly by business)	\$ 796,000
Staff Trainings	\$ 72,378
Mileage (daily visits to clients at their job sites)	\$ 87,100
Rent 4 Work and Training Centers including warehouses	\$ 62,970
Transportation and Delivery Vehicle Lease	\$ 20,400
Transportation and Delivery Vehicle Mileage	\$ 14,500
Shipping Supplies (boxes, tape, postage, stuffing, etc.)	\$ 30,500
Safety Supplies (gloves, goggles, first aid kits, etc.)	\$ 1,300
Brochures (500)	\$ 120
PWI Professional Polos for Job Coaches (client uniforms provided by bus.)	\$ 1,100
Indirect Costs (15%)	\$ 395,335

**Total budget for this PROJECT:** \$ 3,030,902

**Grant Request Amount:** \$ 10,000

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

Is this a challenge grant? NO

Could it be? NO

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

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

\$2,152,607 - San Diego Regional Center	** (CD – Fee for service)
\$97,900 – Department of Rehabilitation	** (CD – Fee for service)
\$20,000 – Genentech	** (C)
\$10,000 – San Diego Gas & Electric	** (C)
\$17,200 – SD County Board of Directors	** (C)
\$12,000 – Art Pratt Foundation at Old Mission Rotary	** (C)
\$25,000 – Qualcomm Foundation	** (P)
\$7,500 – Price Family Charitable Fund	** (P)

**Partnerships with Industry  
Organization Budget FY14**

**Income**

San Diego Regional Center	\$3,973,450
Department of Rehab	\$43,560
Contract Revenue	\$1,192,450
Contributions	\$169,200
<b>Total:</b>	<b><u><u>\$5,378,660</u></u></b>

**Expenses**

Staff Salaries and Wages	\$2,719,320
Client Salaries and Wages	\$864,430
Payroll Taxes, Benefits and Insurance	\$637,700
Staff Training	\$124,920
Facilities - Lease, Utilities and Maintenance for 4 locations	\$676,200
Professional Services - Accounting, Payroll and Legal	\$67,440
Equipment - Vehicles, Depreciation and Supplies	\$264,380
Misc	\$24,270
<b>Total:</b>	<b><u><u>\$5,378,660</u></u></b>



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

In reply refer to: 4077552844  
June 29, 2011 LTR 4168C 0  
33-0169950 000000 00  
00040582  
BODC: TE

PARTNERSHIPS WITH INDUSTRY  
% MARK BERGER  
7540 METROPOLITAN DR STE 105  
SAN DIEGO CA 92108-4416

39

Employer Identification Number: 33-0169950  
Person to Contact: Ms Fox  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Apr. 14, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in August 1986.

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

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

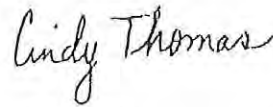
Please refer to our website [www.irs.gov/eo](http://www.irs.gov/eo) for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing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

4077552844  
June 29, 2011 LTR 4168C 0  
33-0169950 000000 00  
00040583

PARTNERSHIPS WITH INDUSTRY  
% MARK BERGER  
7540 METROPOLITAN DR STE 105  
SAN DIEGO CA 92108-4416

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

Sincerely yours,

A handwritten signature in cursive script that reads "Cindy Thomas".

Cindy Thomas  
Manager, EO Determinations





PO BOX 1286  
RANCHO CORDOVA CA 95741-1286

In reply refer to  
755:G :GRW

March 24, 2008

PARTNERSHIPS WITH INDUSTRY  
7540 METROPOLITAN DR STE 105  
SAN DIEGO CA 92108-4416

Purpose : CHARITABLE  
Code Section : 23701d  
Form of Organization : Corporation  
Accounting Period Ending: June 30  
Organization Number : 1375185

#### EXEMPT DETERMINATION LETTER

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

To retain exempt status, organizations are required to be organized and operating for nonprofit purposes within the provisions of the above section. An inactive organization is not entitled to exemption.

For filing requirements see, FTB Pub. 1068, Exempt Organizations - Requirements for Filing Returns and Paying Filing Fees is available online at [www.ftb.ca.gov](http://www.ftb.ca.gov).

Note: This exemption is for state franchise or income tax purposes only.

G WALKER  
EXEMPT ORGANIZATIONS  
BUSINESS ENTITIES SECTION  
TELEPHONE (916) 845-6053  
FAX NUMBER (916) 845-9501

RTF:

**Partnerships With Industry**  
A California Public Benefit Nonprofit Corporation  
2014-2015 Board of Directors (as of May 2014)

*The PWI board dedicates their valuable experience and professional resources to ensure that the organization is managed well, defines and meets challenging, but realistic, goals for the future, and carefully oversees the well-being of our clients, staff and fellow board members. First term is limited to one year, after that the term period extends to two years per term.*

Name and Title	Business Affiliation (informational purposes only)
Jeffrey Litteken – Board Chair (06/2014 – 06/2016)	Principal, General Ledger Resources <a href="mailto:jlitteken@gl-resources.com">jlitteken@gl-resources.com</a> (619) 252-1615
Barrett Lambert – Board Treasurer (06/2013 – 06/2015)	Retired Chief Financial Officer and Financial Consultant <a href="mailto:barrettlambert@cox.net">barrettlambert@cox.net</a> (619) 990-6681
Michael Dorris – Board Secretary (06/2014 – 06/2016)	Real Estate Management, HCPI <a href="mailto:michaelsdorris@gmail.com">michaelsdorris@gmail.com</a> (858) 405-4681
Mark Berger – Board Member	President/CEO <a href="mailto:mberger@pwiworks.org">mberger@pwiworks.org</a> (619) 681-1999 x1103 C: (619) 303-1200
Clint Carney – Board Member (06/2014 - 06/2016)	Vice President for Business Development, telmedx <a href="mailto:clintcarney@gmail.com">clintcarney@gmail.com</a> (619) 917-6003
Ted Finkel – Board Member (06/2014 – 06/2015)	Retired Financial Advisor <a href="mailto:tvfinkel@gmail.com">tvfinkel@gmail.com</a> (619) 417-8410
Reese Reeves – Board Member (06/2013 - 06/2015)	Financial Management Consultant <a href="mailto:rwreeves45@gmail.com">rwreeves45@gmail.com</a> (619) 913-6565
Carol Stachwick – Board Member (06/2013 - 06/2015)	CPA, Manager at AKT Accountants, Advisors, Consultants <a href="mailto:cstachwick@gmail.com">cstachwick@gmail.com</a> (858) 212-3147
Joseph Wilkinson – Board Member (06/2014 – 06/2015)	CFO at Taiyo Yuden (USA) <a href="mailto:jwilkinson@t-yuden.com">jwilkinson@t-yuden.com</a> (858) 756-0856





Creating Jobs. Enhancing Lives.<sup>SM</sup>

Each year, Partnerships with Industry (PWI) helps 1,000 individuals with disabilities find a job and thrive in a work environment. This request is for \$10,000 to support PWI's Employment Services. Specifically, this grant will provide nine "clients" (adults with intellectual and/or developmental disabilities) who live in San Marcos the training, support, and placement they need to excel in a work environment and move towards maximum independence.

PWI clients have a wide range of intellectual, developmental, and/or other disabilities, including but not limited to: Autism Spectrum Disorder, Down syndrome, cerebral palsy, epilepsy, blindness, physical disabilities, and mental illnesses. PWI assists clients in identifying their talents and challenges, marketing their skills, developing professional behavior and overcoming obstacles that may prevent them from entering the workforce. A specialized staff of job coaches, job trainers and assessors, and business developers work tirelessly to find the best environments for our clients; environments where both the clients can thrive and we can provide a service to the business.

PWI's Employment Services evokes and fosters independence in each client. Clients are responsible for getting to work on time, providing their own lunch, meeting the expectations of their job description, and managing their paychecks. By finding employment through PWI's Employment Services, individuals with disabilities increase their capacity for independence, become more active consumers, and help stimulate the economy.

The impact of employment goes beyond financial stability. American culture expects and values independence and self-reliance, and assumes capable adults will enter the workforce. This expectation is not lost on individuals with disabilities; they too want to contribute, to put their abilities to work and be part of the workforce. Steady employment evokes feelings of dignity, pride, purpose, and identity that are essential to the overall happiness of any person, no matter their abilities. The individuals active in PWI Employment Services benefit financially, psychologically, and socially; as well as increasing their connectedness to the community.

PWI strives to help every client achieve maximum independence and success in a work environment. Three goals guide the services provided by PWI:

**Goal 1: Understand each client's talents and challenges in a work environment.**

*Objective A:* Conduct vocational assessments on every new client to identify their vocational goals, skills and the training they need.

*Objective B:* Assign a PWI Manager and an Employment Training Specialist (aka job coach) to each client to develop an individualized work plan and achievable vocational goals.

**Goal 2: Provide all the training and support clients need to succeed in their jobs, and advance in their employment.**

*Objective A:* Ensure an Employment Training Specialist is dedicated for every 10 clients in the Work and Training Center, for every 3-4 clients in Group Services, and for every client in



Individual Placement; clients enrolled in Individual Placement are the most independent and only require occasional support from their Employment Training Specialist.

*Objective B:* Provide trainings on workplace etiquette, how to react in an emergency situation, sexual harassment, interview skills, resume writing, and any other vital information necessary for a work environment.

*Objective C:* Encourage growth within each client, by exposing them to new job skills and moving them into job positions with increasing independence. Ex: moving from Group Services where clients work in teams of 3-4, into Individual Placement where they work independently.

**Goal 3: Foster a healthy environment both physically and emotionally.**

*Objective A:* Host after-hours social events at each of the 4 locations every other month for clients to socialize with their friends and have fun. Past social events have included: a talent show, masquerade ball, and sock-hop.

*Objective B:* Educate clients on ergonomics and reinforce their use.

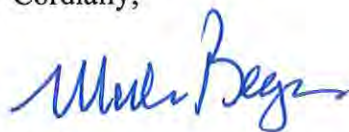
*Objective C:* Invite guest presenters to social events to teach clients healthy activities like yoga, dancing, healthy eating, etc.

Partnerships With Industry provides hope to adults with disabilities that they can and will be successful in a work environment. It is of utmost importance at PWI that clients, staff, and the public see adults with disabilities for their many ABILITIES, instead of focusing on their few disabilities. Through the constant encouragement and support of their PWI manager, Employment Training Specialist, and fellow clients, the individuals served by PWI begin to build confidence in themselves and their abilities. Just one example of how PWI encourages the growth and development of its clients is by hosting a celebration as the clients embark on their new job position.

A grant of \$10,000 from the San Marcos Community Foundation will provide nine San Marcos residents, who have intellectual and/or developmental disabilities, the opportunity to find meaningful employment and move towards maximum independence; including the opportunity to work with two local San Marcos businesses: Hunter Industries and Golden State Graphics. Hunter Industries and Golden State Graphics are two of the 234 businesses that have partnered with PWI to employ adults with disabilities. Support from the San Marcos Community Foundation will give nine San Marcos residents with disabilities the tools and opportunities they need to fulfill their lifelong goal of employment.

If you have any questions or require any additional information please do not hesitate to contact me: 619-681-1999 ext. 1103 or [mberger@pwiworks.org](mailto:mberger@pwiworks.org). Thank you for your time and consideration.

Cordially,



Mark Berger  
President & CEO



## 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)

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

2012

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

A For the 2012 calendar year, or tax year beginning 7/01, 2012, and ending 6/30, 2013

## B Check if applicable:

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Terminated  
☐ Amended return  
☐ Application pending

C PARTNERSHIPS WITH INDUSTRY  
 7540 METROPOLITAN DR #105  
 SAN DIEGO, CA 92108

## D Employer Identification Number

33-0169950

## E Telephone number

619-681-1999

G Gross receipts \$ 4,970,361.

## F Name and address of principal officer:

SAME AS C ABOVE

H(a) Is this a group return for affiliates? ☐ Yes ☒ NoH(b) Are all affiliates included?  
If 'No,' attach a list. (see instructions) ☐ Yes ☒ NoI Tax-exempt status ☒ 501(c)(3) ☐ 501(c) ( ) (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: WWW.PWIWORKS.ORG

H(c) Group exemption number

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other L Year of Formation: 1985 M State of legal domicile: CA

## Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>JOB TRAINING, PLACEMENT, AND ONGOING SUPPORT SERVICES FOR ADULTS WITH DEVELOPMENTAL DISABILITIES.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	10
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	576
	6	Total number of volunteers (estimate if necessary)	6	50
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 142,739.	Current Year 166,719.
	9	Program service revenue (Part VIII, line 2g)	4,698,465.	4,798,414.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,670.	4,287.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	15,827.	941.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,864,701.	4,970,361.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,537,672.	3,691,127.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 117,307.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,419,636.	1,322,264.	
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,957,308.	5,013,391.	
19	Revenue less expenses. Subtract line 18 from line 12	-92,607.	-43,030.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 1,878,382.	End of Year 1,775,218.
	21	Total liabilities (Part X, line 26)	286,628.	226,494.
	22	Net assets or fund balances. Subtract line 21 from line 20	1,591,754.	1,548,724.

## 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	11/1/12
	MARK BERGER Type or print name and title.	PRESIDENT & CEO	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date
	CHERYL RHODE	CHERYL RHODE	
	Firm's name ▶ WEST RHODE & ROBERTS	Check <input type="checkbox"/> if self-employed	PTIN P00234939
	Firm's address ▶ 3104 FOURTH AVE SAN DIEGO, CA 92103	Firm's EIN ▶ 33-0783983	Phone no. 619-615-5380

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

TO PROVIDE INSTRUCTION, TRAINING, AND PLACEMENT TO PERSONS WITH DEVELOPMENTAL AND  
OTHER DISABILITIES IN PERMANENT JOBS WITHIN THE COMMUNITY.

**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 \$ 1,944,329, including grants of \$ ) (Revenue \$ 1,664,491.)

GROUP SERVICES - THERE WERE 33 BUSINESSES THAT PARTNERED WITH PWI TO MEET THEIR  
BUSINESS NEEDS THIS YEAR. THESE PARTNERSHIPS PROVIDED WORK OPPORTUNITIES FOR OVER  
135 CLIENTS.

**4b** (Code: ) (Expenses \$ 1,464,423, including grants of \$ ) (Revenue \$ 2,084,205.)

WORK ACTIVITY PROGRAM - WORK SKILLS TRAINING WAS OFFERED TO OVER 350 CLIENTS  
THROUGHOUT THE YEAR, SERVING OVER 265 AVERAGE EACH DAY. CLIENTS GAINED VALUABLE WORK  
SKILLS RESULTING IN 46 CLIENTS TRANSITION INTO JOBS IN THE COMMUNITY.

**4c** (Code: ) (Expenses \$ 856,316, including grants of \$ ) (Revenue \$ 1,049,718.)

INDIVIDUAL PLACEMENT - THERE WERE 151 CLIENTS THAT RECEIVED WORK SUPPORT SERVICES  
FROM PWI THIS YEAR. INDIVIDUALS WORKING IN THE COMMUNITY HAVE, ON AVERAGE, BEEN IN  
THEIR JOBS FOR 77 MONTHS.

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

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

**4e** Total program service expenses ▶ 4,265,068.



# FINANCIAL REPORT

*JUNE 30, 2013*



## TABLE OF CONTENTS

Independent Auditors' Report .....	1
Financial Statements:	
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows .....	5
Notes to Financial Statements .....	6 – 10



**WEST RHODE & ROBERTS**  
Certified Public Accountants

3104 Fourth Avenue  
San Diego, California 92103  
619.615.5380 Fax 619.615.5389

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Partnerships With Industry  
San Diego, California

We have audited the accompanying financial statements of Partnerships With Industry (a California nonprofit Public Benefit Corporation) as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements** – Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

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

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

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

**Opinion** – In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Partnerships With Industry as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information** – We have previously audited Partnerships With Industry 2012 financial statements, and in our report dated October 18, 2012 expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Cheryl Rhode, CPA  
for WEST RHODE & ROBERTS

San Diego, California  
October 29, 2013

An independent member of CPA Associates International with associated offices in principal U.S. Cities

**PARTNERSHIPS WITH INDUSTRY**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2013**  
*(With Summarized Financial Information for June 30, 2012)*

	2013	2012 (Note 12)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 272,371	\$ 406,605
Investments	597,423	632,297
Accounts receivable, net of allowance for doubtful accounts of \$7,000 (2013 and 2012)	623,449	562,977
Prepaid expenses and other assets	67,065	31,705
Total current assets	1,560,308	1,633,584
Property and Equipment, net of accumulated depreciation	164,088	187,230
Deposits	50,822	57,568
Total assets	<u>\$ 1,775,218</u>	<u>\$ 1,878,382</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 16,080	\$ 50,678
Current portion of long-term debt	-	44,804
Accrued expenses	210,414	191,146
Total current liabilities	226,494	286,628
<b>NET ASSETS</b>		
Unrestricted	1,522,522	1,580,327
Temporarily restricted	26,202	11,427
Total net assets	1,548,724	1,591,754
Total liabilities and net assets	<u>\$ 1,775,218</u>	<u>\$ 1,878,382</u>

See accompanying notes to financial statements.

Page 2

**PARTNERSHIPS WITH INDUSTRY**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2013**

*(With Summarized Financial Information for June 30, 2012)*

	2013			2012
	Unrestricted	Temporarily Restricted	Total	(Note 12)
<b>REVENUE AND SUPPORT</b>				
Fees for service	\$ 3,685,305	\$ -	\$ 3,685,305	\$ 3,620,284
Employer contracts	1,113,109	-	1,113,109	1,078,181
Donations and other support	147,519	19,200	166,719	142,739
Interest income	4,287	-	4,287	7,670
Other income	941	-	941	15,827
Net assets released from restrictions, satisfaction of program restrictions	<u>4,425</u>	<u>(4,425)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>4,955,586</u>	<u>14,775</u>	<u>4,970,361</u>	<u>4,864,701</u>
<b>EXPENSES</b>				
Program services - instruction, training and placement	4,265,068	-	4,265,068	4,233,518
Supporting services:				
Administrative and general	631,016	-	631,016	625,093
Fundraising	<u>117,307</u>	<u>-</u>	<u>117,307</u>	<u>98,697</u>
Total expenses	<u>5,013,391</u>	<u>-</u>	<u>5,013,391</u>	<u>4,957,308</u>
<b>Change in net assets</b>	(57,805)	14,775	(43,030)	(92,607)
<b>Net assets at beginning of year</b>	<u>1,580,327</u>	<u>11,427</u>	<u>1,591,754</u>	<u>1,684,361</u>
<b>Net assets at end of year</b>	<u>\$ 1,522,522</u>	<u>\$ 26,202</u>	<u>\$ 1,548,724</u>	<u>\$ 1,591,754</u>

**PARTNERSHIPS WITH INDUSTRY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2013**  
**(With Summarized Financial Information for June 30, 2012)**

	Program	Supporting Services		2013	2012
	Services	Administrative and General	Fundraising	Total	Total (Note 12)
Payroll and related costs	\$ 3,246,945	\$ 357,908	\$ 86,274	\$ 3,691,127	\$ 3,537,672
Office	624,133	30,505	748	655,386	682,700
Insurance	165,434	23,547	139	189,120	223,319
Staff training and reimbursement	113,367	18,826	4,275	136,468	124,207
Depreciation	162	92,420	-	92,582	95,500
Professional services	-	71,795	5,612	77,407	82,958
Supplies	87,006	17,477	20,227	124,710	135,603
Vehicle expense	27,912	-	5	27,917	30,410
Other	109	18,538	27	18,674	44,939
	<u>\$ 4,265,068</u>	<u>\$ 631,016</u>	<u>\$ 117,307</u>	<u>\$ 5,013,391</u>	<u>\$ 4,957,308</u>

See accompanying notes to financial statements.

Page 4

**PARTNERSHIPS WITH INDUSTRY**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2013**  
**(With Summarized Financial Information for June 30, 2012)**

	2013	2012 (Note 12)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (43,030)	\$ (92,607)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	92,420	101,091
(Increase) decrease in operating assets:		
Accounts receivable	(60,472)	(12,392)
Prepaid expenses	(35,360)	14,720
Deposits	6,746	(11,181)
Increase (decrease) in operating liabilities:		
Accounts payable	(34,598)	32,731
Accrued expenses	19,268	(6,960)
Net cash (used in) provided by operating activities	<u>(55,026)</u>	<u>25,402</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases and proceeds of investments, net	34,874	85,875
Purchases of property and equipment	<u>(69,278)</u>	<u>(1,463)</u>
Net cash (used in) provided by investing activities	<u>(34,404)</u>	<u>84,412</u>
<b>CASH FLOWS USED BY FINANCING ACTIVITIES</b>		
Payments on long-term debt	<u>(44,804)</u>	<u>(64,774)</u>
Net cash (used in) investing activities	<u>(44,804)</u>	<u>(64,774)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(134,234)	45,040
<b>CASH AT BEGINNING OF YEAR</b>	<u>406,605</u>	<u>361,565</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 272,371</u>	<u>\$ 406,605</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest	<u>\$ 3,621</u>	<u>\$ 4,847</u>

See accompanying notes to financial statements.

Page 5



**PARTNERSHIPS WITH INDUSTRY**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1. NATURE OF ORGANIZATION**

**Nature of Activities** – Partnerships With Industry (Organization) is a California nonprofit Public Benefit Corporation providing instruction, training, and placement to persons with disabilities to develop their self-care, independence, and vocational capabilities in San Diego County.

**Method of Accounting** – The financial statements of the Organization have been prepared utilizing the accrual basis of accounting

**Financial Statement Presentation** – The Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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

There were no permanently restricted net assets during the years ended June 30, 2013.

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

**Investments** – Investments are carried at fair value in the statements of financial position.

**Accounts Receivable** – The accounts receivable arise in the normal course of business. All accounts receivables are reviewed for collectability and reserves for uncollectible amounts are recorded based on previous experience and history with the Company. Accounts are written off against the allowance for doubtful accounts when deemed uncollectible. Management has determined that an allowance of \$7,000 is needed for the year ended June 30, 2013.

**Property and Equipment** – Acquisitions of property and equipment of \$1,000 or more are capitalized. Property and equipment are recorded at cost or, if donated, at approximate value at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of five years. Amortization of leasehold improvements is included in depreciation expense.

Depreciation expense for the year ended June 30, 2013 was \$92,420.

**PARTNERSHIPS WITH INDUSTRY**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1. NATURE OF ORGANIZATION (continued)**

**Revenue and Support** – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as unrestricted support in that period.

**Income Taxes** – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization, however, may be subject to tax on income which is not related to its exempt purpose. For the years ended June 30, 2013, the Organization is reporting no such unrelated business taxable income and, therefore, no provision for income taxes has been made. The Organization reviewed its tax positions for all open tax years and has determined that no provisions for uncertain tax positions under FASB Accounting Standards Codification No. 740-10 is required.

**Subsequent Events** – Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at that date, including the estimates inherent in the process of preparing financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after that date and before the financial statements are available to be issued.

The Organization has evaluated subsequent events through October 29, 2013, which is the date the financial statements are available for issuance, and concluded that there were no events or transaction that needed to be disclosed.

**NOTE 2. CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in financial institutions which, at times, may exceed federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts.

**NOTE 3. INVESTMENTS**

Investments are held in fixed income securities carried at quoted market prices in active markets for identical assets and are classified as level 1 under the fair value measurement hierarchy.

**PARTNERSHIPS WITH INDUSTRY**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4. FAIR VALUE**

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

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

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

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

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

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

Fair Value Measurement at June 30, 2013, using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments	\$ 597,423	\$ 597,423	\$ -	\$ -

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. All of the Organization's investments are based upon the quoted market prices at June 30, 2012.

The carrying value of cash, receivables, and payables approximate fair values as of June 30, 2013, due to the relative short maturities of these instruments.

The management of the Organization is responsible for making the fair value measurements and disclosures in the financial statements. As part of fulfilling this responsibility the management of the Organization has established an accounting and financial reporting process for determining the fair value measurements and disclosures, which identifies and adequately supports the valuation methods and assumptions used and ensures that the presentation of the fair value measurement is in accordance with GAAP.



**PARTNERSHIPS WITH INDUSTRY**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 5. PROPERTY AND EQUIPMENT**

Property and equipment are comprised of:

Equipment	\$ 553,024
Leasehold improvements	401,604
Furniture and fixtures	<u>20,238</u>
	974,866
Less accumulated depreciation	<u>(810,778)</u>
	<u>\$ 164,088</u>

**NOTE 6. LONG-TERM DEBT**

In March 2008, the Organization entered into a loan agreement of \$300,000 with a bank to finance tenant improvements at the Santee location. The term of the loan is 5 years. During the year ended June 30, 2013 the Organization paid the loan off in full.

**NOTE 7. COMMITMENTS**

**Operating Leases** – The Organization leases various office furniture and space under operating leases. The equipment leases expire at various dates through May 2017. The office leases expire at various dates through June 2017. For the year ended June 30, 2013, rent expense totaled \$524,829.

At June 30, 2013, the aggregate minimum rental commitments under non-cancelable operating leases are as follows:

<u>Year Ending June 30,</u>	
2014	\$ 499,982
2015	341,112
2016	237,744
2017	<u>195,075</u>
	<u>\$ 1,273,913</u>

**NOTE 8. NET ASSETS RELEASED FROM RESTRICTION AND TEMPORARILY RESTRICTED NET ASSETS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restriction accomplished:

Training materials	<u>\$ 4,425</u>
--------------------	-----------------

Temporarily restricted net assets consist of the following:

Technology	\$ 19,200
Staff training of youth	4,102
Translation project	2,000
Spanish language materials	<u>900</u>
	<u>\$ 26,202</u>

**PARTNERSHIPS WITH INDUSTRY**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 9. CONCENTRATION OF RISK**

The Organization depends significantly on revenue received from the California Department of Developmental Services (DDS). Under the terms of this arrangement, the Organization is classified as a vendor and submits monthly invoices for reimbursement, based on the participants' enrollment and activities according to DDS's funding policies. Revenues for the year ended June 30, 2013 were \$3,685,305 and accounts receivable at June 30, 2013 includes \$482,549 due from DDS.

**NOTE 10. RETIREMENT PLAN**

The Organization has a 401(k) employer contributory tax deferred retirement plan covering all employees who have met certain service agreements, other than employees who are covered under a collective bargaining agreement. During the year ended June 30, 2013, the Organization made no contributions to the Plan.

**NOTE 11. FUNCTIONAL ALLOCATION OF EXPENSE**

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

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**NOTE 12. JUNE 30, 2012 FINANCIAL INFORMATION**

The financial statements include certain prior year summarized comparative information totals, but not by net asset class, audited by other auditors. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for year ended June 30, 2012, from which the summarized information was derived.



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

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

<b>Project Name: Senior Emergency Meal Box Program</b>  Date Submitted:	Total # of people served: 1,066 every month  Total # of San Marcos residents served: 60 every month	Amount Requested: \$5,000
Non-Profit Organization Name and Address, Website <b>The Angel's Depot</b> 1497 Poinsettia Ave Vista, CA 92081 <a href="http://www.theangelsdepot.org">www.theangelsdepot.org</a>		Contact Person – Name, Title & Phone, email <b>Philip Stutzman, ESQ</b> <b>Director of Grant Development</b> <b>(760) 599-7093</b>
<p><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u></p> <p>We respectfully request \$5,000 to support our continued efforts to feed 60 seniors living in poverty in San Marcos. The Angel's Depot "Senior Emergency Meal Boxes" provide 24 pounds of nutritious, non-perishable food to some 900 seniors monthly. What separates the Angel's Depot emergency meal program from others in the area is that it provides specially formulated food to meet the nutritional needs of impoverished seniors, free of charge. With 50,000 seniors already living in poverty in San Diego County and the aging of the Baby Boomer generation, the need for this program is more urgent than ever.</p>		
<p><u>Briefly describe the significance of your request to the San Marcos community:</u></p> <p>On the second Friday of every month, pre-qualified seniors arrive at two distribution sites in San Marcos - the San Marcos Senior Center or the San Marcos Americare - to pick up their meal box, which includes 24 pounds of specially formulated food. Food items are high in protein, fiber, folates with modest sugar, and make 21 easily prepared meals: breakfasts, lunches, dinners and snacks, for a week. The average age of the seniors is 72, and their average income was \$835/month. These senior residents of San Marcos are at high-risk for malnutrition and its related maladies, and they live with the anxiety of food insecurity every day. The Angel's Depot Senior Emergency Meal Box Program provides a survival lifeline between Social Security checks.</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><b>5. Regular Grants Only:</b><ol style="list-style-type: none"><li>a. 1-2 page narrative</li><li>b. First 2 pages of Federal 990</li><li>c. Most recent year-end Statement or Audit including any management letters associated with Audit.</li><li>d. Signature of President or Authorized Officer on Application</li><li>e. Optional: letters of support</li></ol></li></ol>		<p>Expected date project will begin/end: Ongoing</p> <p>Date by which funds will be expended: 7/1/2015</p> <p>Signature of President or Authorized Officer</p> <div style="text-align: center;"><div style="display: flex; justify-content: space-between; width: 100%;"><div>Name, Title <b>SUSAN HALL - Founder</b></div><div>Date <b>6-27-14</b> <b>BYEC</b></div></div></div> <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:  
(example – 72 bicycle helmets at \$7.80 each including tax = \$561.60)

Salaries & Wages (including benefits)	\$ 19,230
Consultant/Professional Services	\$ 1,800
Office & Warehouse Rent	\$ 3,322
Utilities	\$ 393
Telephone	\$ 303
Office Supplies & Postage	\$ 1,910
Equipment	\$ 444
Printing & Copying	\$ 1,375
Travel/Mileage & Vehicle Maintenance	\$ 1,475
Program Food & Boxes	\$ 9,440
Other: Insurance	\$ 1,306
Other: Fundraising & Marketing	\$ 5,215

**Total budget for this PROJECT:** \$ 46,213

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

Is this a challenge grant?      No                                      Could it be?

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

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

\$ 25,000 (Name of source)	Caesar's Foundation	** C
\$ 30,000 (Name of source)	Rancho Santa Fe Foundation	** C
\$ 10,000 (Name of source)	JCF Weingart Foundation	** C
\$ 12,500 (Name of source)	Nordson Corp. Foundation	** P





## 2014 OPERATING BUDGET FINAL

### PROJECTED EXPENSES

#### INSURANCE

Accident Liability	\$ 500
Directors/Officer Liability	\$ 1,650
General Liability & Auto	\$ 7,000
Property Liability	\$ 700
Umbrella Policy	\$ 2,900
Worker's Comp	\$ 11,000

#### OPERATIONS

Advertising & Marketing	\$ 7,000
Audits & Bank Fees	\$ 7,000
Capital Equipment	\$ 8,000
Chamber/Membership Dues	\$ 3,000
Community Participation	\$ 3,000
Donor/Volunteer Retention	\$ 8,600
Emergency Funds	\$ 6,000
Food - Senior Meal Boxes	\$ 168,000
Fundraising/Events	\$ 80,000
Office Equipment Maint.	\$ 1,000
Office Supplies/Paper	\$ 15,000
Phones/FAX	\$ 5,500
Postage/Bulk Mail	\$ 7,000
Printing/Copying	\$ 25,000
Subscriptions	\$ 4,500
Travel/Meetings/Mileage	\$ 10,000
Utilities	\$ 3,500
Vehicle Gas/Maintenance	\$ 15,000
Warehouse Rent/CAM	\$ 57,200
Warehouse Storage Rent	\$ 3,200
Warehouse Supplies/Boxes	\$ 14,000
Warehouse Security/Repairs	\$ 4,000

#### STAFFING

Payroll for Six Employees	\$ 274,000
Payroll Taxes	\$ 30,000
Outside Consultants/Labor	\$ 20,000
Employee Health Insurance	\$ 32,000
Employee Retention	\$ 5,000

**PROJECTED EXPENSES: \$ 840,250**

### PROJECTED REVENUE

**ANNUAL S.O.S. CAMPAIGN: \$ 40,000**

**FOUNDATION GRANTS: \$ 327,250**

Previous Funders: Caesar's Foundation, The California Wellness Foundation, The Rincon Band of Luiseno Indians, NRG Energy, Leichtag Foundation, Genentech Foundation, Seth Sprague Charitable Foundation, Walmart Foundation, Howard Charitable Foundation, Nordson Foundation, TriCity Medical Center, VONS Foundation, Sempra Energy Foundation, AT&T Foundation, SCAN Foundation, Rancho Santa Fe Foundation, Weingart Foundation.

**FUNDRAISING EVENTS: \$ 115,000**

\*\*\* 8th Annual "Angel's Day at the Races"

\*\*\* 9th Annual "Holiday Gala Evening"

Previous Sponsors: Harrah's Rincon Casino, Sun Wireless, Datron, Wal-Mart, Anderson Direct Mktg., AT&T, SDG&E, PCH Litho, Humana, CHM Hotels, BluFi Lending, Holiday Travel of America, Joe Bradley Auctioneers, Grand Pacific Resorts.

**GOVERNMENT GRANTS: \$ 168,000**

Local City CDBG Funds

**INDIVIDUAL DONATIONS: \$ 80,000**

**CORPORATE GRANTS/SPONSORSHIPS:**

**\$ 65,000**

**MISCELLANEOUS INCOME: \$ 5,000**

**IN-KIND FOOD DRIVES: \$ 40,000**

**PROJECTED REVENUE: \$ 840,250**

**Expense Breakdown: Program: 63%**

**Administration: 23%**

**Fundraising: 14%**



Department of the Treasury  
Internal Revenue Service

P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248167571  
Apr. 06, 2012 LTR 4168C E0  
20-2723243 000000 00

00019895

BODC: TE

THE ANGELS DEPOT  
% SUSAN HALL  
1497 POINSETTIA AVE STE 158  
VISTA CA 92081-8542



019588

Employer Identification Number: 20-2723243  
Person to Contact: MS. LEE  
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your Mar. 28, 2012, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in JULY 2005.

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

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

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

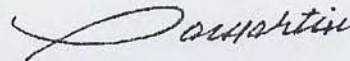


0248167571  
Apr. 06, 2012 LTR 4168C E0  
20-2723243 000000 00  
00019896

THE ANGELS DEPOT  
% SUSAN HALL  
1497 POINSETTIA AVE STE 158  
VISTA CA 92081-8542

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

Sincerely yours,



S. A. Martin, Operations Manager  
Accounts Management Operations





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

In reply refer to  
755:G :RW

June 12, 2007

THE ANGEL'S DEPOT  
SUSAN HALL  
1851 LITAC COURT  
CARLSBAD CA 92009

Purpose : CHARITABLE  
Code Section : 23701d  
Form of Organization : Corporation  
Accounting Period Ending: December 31  
Organization Number : 2589426

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

This decision is based on information you submitted and assumes that your present operations continue unchanged or conform to those proposed in your application. Any change in operation, character, or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address must also be reported.

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

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

You are not required to file state franchise or income tax returns





## 2014 Board of Directors

### Officers of the Board

#### **Al Pfeltz**

President of the Board

Founding Board Member

**Owner, Sun Wireless**

Office Address: 4887 Ronson Court, San Diego, CA 92111

Personal Mobile: (760) 889-0778

Office: [al@sunmicrowave.com](mailto:al@sunmicrowave.com)

#### **Dale Ganzow**

1<sup>st</sup> Vice President of the Board

**Sales Manager, San Diego Business Journal**

Office Address: 4909 Murphy Canyon Rd., Suite 200, San Diego, CA 92123

Office Phone: (858) 277-4832

Office Email: [d ganzow@sdbj.com](mailto:d ganzow@sdbj.com)

#### **Al Guerin**

2<sup>nd</sup> Vice President of the Board

Founding Board Member

**Assistant Sheriff, San Diego County Sheriff's Department, Retired**

Home Address Confidential

Personal Mobile: (760) 473-7007

Personal Email: [alfredguerin@yahoo.com](mailto:alfredguerin@yahoo.com)

#### **Susan Hall**

Secretary of the Board

**Founder & Executive Director, The Angel's Depot**

Office Address: 1497 Poinsettia Ave., Suite 158, Vista, CA 92081

TAD Office: (760) 599-7093

TAD FAX: (760) 599-6402

Office Email: [susanhall@theangelsdepot.org](mailto:susanhall@theangelsdepot.org)

#### **Kathy Edlin**

Treasurer of the Board

**Vice President & District Manager, Wells Fargo Bank**

Office Address: 500 La Terraza Blvd., Suite 200, Escondido, CA 92025

Office: (760) 432-5363

Office Email: [edlinkm@wellsfargo.com](mailto:edlinkm@wellsfargo.com)

## **Members of the Board – Listed by Seniority**

### **Juanita Hayes**

Member of the Board

**Public Affairs Manager, San Diego Gas & Electric**

Home Address: P.O. Box 549, San Marcos, CA 92079

Office: (760) 480-7650

Office: [jhayes1@semprautilities.com](mailto:jhayes1@semprautilities.com)

### **Robin Zetts**

Member of the Board

**Director, Product & Service Excellence, Harrah's Resort Southern California**

Office Address: 777 Harrah's Rincon Way, Valley Center, CA 92082

Office: (760) 801-7557

Office: [rzetts@rincon.harrahs.com](mailto:rzetts@rincon.harrahs.com)

### **Russell Barbour**

Member of the Board

**Market Sales Director, Southern California, Humana**

Office Address: 5421 Avenida Encinas, Suite N, Carlsbad, CA 92008

Mobile: (858) 213-6482

Office: [rbarbour@humana.com](mailto:rbarbour@humana.com)

### **Julia Cain**

Member of the Board

**Senior Manager, HR Systems, Qualcomm**

Office Address: 5775 Morehouse Drive, San Diego, CA 92121

Mobile: 858-740-0212

Office Email: [jcain@qualcomm.com](mailto:jcain@qualcomm.com)

### **David Bennett**

Member of the Board

**Sr. Vice President/ Chief Marketing Officer, Tri City Medical Center**

Office Address: 4002 Vista Way, Oceanside, CA 92056

Office: (760) 940-7365

Office Email: [bennettdm@tcmc.com](mailto:bennettdm@tcmc.com)

## MISSION STATEMENT

The Angel's Depot was founded to provide food for the elderly poor living in San Diego County and to help improve the quality of their lives; to promote community awareness and support for impoverished seniors and to act as a conduit to other available resources in the community.

## BACKGROUND

According to the San Diego County Department of Aging and Independence Services, at least **50,000 senior citizens live in poverty in the County of San Diego**. As the baby boomer population ages, that number is expected to rise dramatically. Founder and Executive Director Susan Hall started The Angel's Depot in 2005 to meet this growing crisis with a simple solution: a specially formulated, nutritious, nonperishable Senior Emergency Meal Box, given **free of charge**, to age and income qualified seniors who cannot afford Meals on Wheels and other services that charge fees. To qualify for this program, seniors must be at least 60 years of age or 55 with a permanent disability; their income must be less than \$1,000 per month; they must not have over \$10,000 in cash assets, and they must live in San Diego County.

The seniors we serve have an average monthly income of **\$835** and are often forced to choose between purchasing life-saving medication or food. Many dangerously ration both by skipping doses and/or meals. Further, it is more difficult for the elderly to access food because they must overcome age-related obstacles to nutrition, e.g. lack of funds to purchase food, lack of physical endurance and stamina to stand in line and carry heavy bags from local food banks and pantries, lack of transportation, and insufficient food education and cognitive skills to make good food choices.

In San Marcos, the Angel's Depot has been delivering Senior Emergency Meal Boxes every month since April 2007. To date, 5,097 meal boxes have been provided at no cost to San Marcos seniors living in poverty – 107,037 meals, comprising a total of 122,328 pounds of food. A grant of \$5,000 represents the cost of providing 200 meal boxes to the direct benefit of this at-risk and vulnerable population of seniors living in San Marcos.

## PURPOSE & OBJECTIVES

### 1) **Providing Emergency Food to Seniors**

Providing "Senior Emergency Meal Boxes" to seniors living in poverty who are at high risk for malnutrition and routinely suffer from the anxiety of food insecurity. Emergency Meal Boxes contain 24 pounds of nutritious, nonperishable food for 21 easily prepared meals: breakfasts, lunches, dinners and snacks for a week. This hearty food bridge between Social Security checks is critical in preventing malnutrition and its related physical and mental maladies; knowing they have a food lifeline can help emotionally stabilize low income seniors, many of whom suffer from anxiety and depression as a result of living in poverty in their fragile senior years. The Depot has partnered with two distribution sites in San Marcos, the Senior Center and Americare, to provide meal boxes for 60 desperately poor seniors in May 2014. By year-end 2014, The Angel's Depot aims to be serving 1,065 seniors monthly county-wide to help end senior hunger;

## **2) Senior Advocacy**

Advocating for seniors through a level of case management to address complex aging challenges, assisting senior clients with meal box applications and required documents, calling to help solve meal box pick up challenges, researching and connecting seniors with other free or low-cost community resources and services to enhance their health and well-being, and publishing a senior newsletter, the Depot Dispatch (tucked into monthly meal boxes) featuring health, safety, favorite recipes, senior humor, historical trivia and living well tips;

## **3) Community Education**

Educating the community as to the plight of the local elderly poor at speaking engagements, community fair booths, community forums such as the County Department of Aging and Independence Services, volunteer activities, fundraising events, annual giving opportunities such as our S.O.S. Campaign (Saving Our Seniors) affording the community to sponsor a \$25 meal box, media releases, and promoting Depot activities on The Angel's Depot web site ([www.theangelsdepot.org](http://www.theangelsdepot.org)) and Facebook page; literature mailed to the community is geared toward community education and support opportunities;

## **4) Community Outreach**

Engaging the community in solving the senior hunger crisis by providing opportunities for donors and volunteers to step-up and serve as a Board Member or Volunteer Program Manager, contribute in-kind gifts such as initiating food drives, volunteer labor, i.e., sorting and packing food, helping with bulk mailings and fundraisers, or contributing cash gifts such as corporate, foundation and government grants, sponsoring meal boxes or attending fundraisers.

## **COMMUNITY IMPACT & NEED**

To demonstrate the critical need for the "Senior Emergency Meal Box" Program is the story of one of our senior meal box recipients, Ms. Millie. In June 2013 Rick Cunningham, then new to the Depot staff, personally delivered Ms. Millie's Emergency Meal Box to her front door. As he approached the address, the stark realization hit . . . she was living in a converted garage, though not likely legally inhabitable or structurally sound. Knocking on the door he identified himself and waited for Ms. Millie to answer. It took her a few minutes to respond, though once she did, Rick immediately understood the reasons for the delay. Ms. Millie's single car garage had barely enough room for a bed and a chair, and because she depended on the use of a walker, it was extremely difficult for her to maneuver around the small space. When Ms. Millie saw the Emergency Meal Box Rick carried in his arms, she exclaimed "Thank God you are here, I am so hungry!" She had not eaten anything since breakfast the day before - a period of over 24 hours - because she did not have food or the means to access or purchase it. When Rick returned to the office of The Angel's Depot he informed Executive Director Susan Hall of Ms. Millie's response to the Emergency Meal Box delivery and of the substandard conditions she inhabited, relating further specifics that her apartment was unbearably hot, with no air flow because she was not permitted to open any windows. Ms. Hall approved the purchase of a fan to be delivered to Ms. Millie, who was tearful when Rick delivered it. Though Ms. Millie lives in dire circumstances, substandard living conditions are common for poverty-stricken seniors. A simple 24-pound monthly "Senior Emergency Meal Box" staves off hunger and makes survival possible from one Social Security check to the next. This population of elderly poor must routinely choose between purchasing food and medicine and dangerously ration both. Please join us in this noble effort.

Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)▶ Do not enter Social Security numbers on this form as it may be made public.  
▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No. 1545-0047

**2013**Open to Public  
Inspection**A For the 2013 calendar year, or tax year beginning and ending**

<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> Name of organization  <b>THE ANGEL'S DEPOT</b>		<b>D</b> Employer identification number  <b>20-2723243</b>
	Doing Business As		
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>E</b> Telephone number
	<b>1497 POINSETTIA AVENUE</b>	<b>158</b>	<b>760-599-7093</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>VISTA, CA 92081</b>		<b>G</b> Gross receipts \$ <b>667,066.</b>
<b>F</b> Name and address of principal officer: <b>SUSAN HALL</b> <b>SAME AS C ABOVE</b>		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶	
<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>J</b> Website: <b>WWW.THEANGELSDEPOT.ORG</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>2006</b> <b>M</b> State of legal domicile: <b>CA</b>	

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <b>TO PROVIDE "SENIOR FOOD-FOR-A-WEEK" EMERGENCY MEAL BOXES FOR 7-10 DAYS.</b>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>12</b>
	4 Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>11</b>
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>	<b>13</b>
	6 Total number of volunteers (estimate if necessary)	<b>6</b>	<b>1756</b>
	7a Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
b Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	9 Program service revenue (Part VIII, line 2g)	<b>548,067.</b>	<b>548,820.</b>
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>0.</b>	<b>0.</b>
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>175.</b>	<b>2,414.</b>
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>57,555.</b>	<b>21,780.</b>
<b>Expenses</b>	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>605,797.</b>	<b>573,014.</b>
	14 Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
	16a Professional fundraising fees (Part IX, column (A), line 11e)	<b>294,157.</b>	<b>297,150.</b>
	b Total fundraising expenses (Part IX, column (D), line 25)	<b>0.</b>	<b>0.</b>
<b>Net Assets or Fund Balances</b>	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>89,539.</b>	
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>378,432.</b>	<b>389,235.</b>
	19 Revenue less expenses. Subtract line 18 from line 12	<b>672,589.</b>	<b>686,385.</b>
	20 Total assets (Part X, line 16)	<b>-66,792.</b>	<b>-113,371.</b>
	21 Total liabilities (Part X, line 26)	<b>Beginning of Current Year</b>	<b>End of Year</b>
22 Net assets or fund balances. Subtract line 21 from line 20	<b>360,369.</b>	<b>272,425.</b>	
	<b>17,794.</b>	<b>43,221.</b>	
	<b>342,575.</b>	<b>229,204.</b>	

**Part II Signature Block**

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

<b>Sign Here</b>	Signature of officer		Date
	<b>SUSAN HALL, EXECUTIVE DIRECTOR</b>		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date
	<b>RICHARD HOTZ</b>		<b>05/14/14</b>
	Firm's name	Firm's EIN	PTIN
	<b>CONSINDINE &amp; CONSINDINE</b>	<b>95-2694444</b>	<b>P00452784</b>
	Firm's address	Phone no.	
	<b>1501 FIFTH AVENUE, SUITE 400</b>	<b>619.231.1977</b>	
	<b>SAN DIEGO, CA 92101-3297</b>		

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

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

**DEDICATED TO PROVIDING NUTRITIOUS NON PERISHABLE FOOD BOXES FREE TO THE ELDERLY LIVING IN POVERTY IN SAN DIEGO COUNTY.**

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

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

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

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

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

**4a** (Code: ) (Expenses \$ **445,987.** including grants of \$ ) (Revenue \$ )  
**SENIOR FOOD-FOR-A-WEEK EMERGENCY MEAL BOXES**

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
**COMMUNITY EDUCATION - PROVIDING INFORMATION REGARDING THE NEEDS OF 50,000 SENIOR CITIZENS LIVING IN POVERTY IN SAN DIEGO COUNTY; PROVIDING VOLUNTEER AND DONOR OPPORTUNITIES TO ENGAGE THE COMMUNITY IN SOLVING THE SENIOR HUNGER CRISIS.**

**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 **445,987.**

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION**

	<b><u>Pages</u></b>
I. Index	1
II. Independent Auditor's Report	2 - 3
III. Statements of Financial Position	4
IV. Statements of Activities	5 - 6
V. Statements of Functional Expenses	7 - 8
VI. Statements of Cash Flows	9
VII. Notes to the Financial Statements	10 - 16



## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
The Angel's Depot  
A Nonprofit Organization

We have audited the accompanying financial statements of The Angel's Depot, which comprise the financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

Earning Your Trust Since 1946

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Angel's Depot, as of December 31, 2012 and 2011, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

CONSIDINE & CONSIDINE  
An Accountancy Corporation

May 10, 2013

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2012 AND 2011**

Page 4

	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash (Note 3)	\$ 137,783	\$ 176,990
Inventory	19,609	5,279
Prepaid Expenses	6,756	3,066
Grants Receivable (Note 4)	20,832	8,651
Unconditional Promises to Give - Current Portion (Note 6)	150,000	100,000
	<u>334,980</u>	<u>293,986</u>
<b>PROPERTY AND EQUIPMENT (Note 5)</b>	21,741	29,269
<b>OTHER ASSETS</b>		
Unconditional Promises to Give (Note 6)	-	96,154
Deposits	3,649	3,649
	<u>3,649</u>	<u>99,803</u>
<b>TOTAL ASSETS</b>	<u><u>360,370</u></u>	<u><u>423,058</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	10,085	6,313
Accrued Liabilities (Note 8)	7,709	7,378
<b>TOTAL LIABILITIES</b>	<u>17,794</u>	<u>13,691</u>
<b>NET ASSETS</b>		
Unrestricted	342,576	409,367
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 360,370</u></u>	<u><u>\$ 423,058</u></u>

See Accompanying Notes

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Page 5

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 412,672	\$ -	\$ 412,672
Contributions	99,854	-	99,854
Special Events (Net Expenses of \$81,520)	57,280	-	57,280
Contributed Food	35,541	-	35,541
Other Revenues	275	-	275
Interest Income	176	-	176
	<u>605,798</u>	<u>-</u>	<u>605,798</u>
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	-	-	-
<b>FUNCTIONAL ALLOCATION OF EXPENSES</b>			
Program	426,963	-	426,963
General and Management	153,405	-	153,405
Fundraising	92,221	-	92,221
	<u>672,589</u>	<u>-</u>	<u>672,589</u>
<b>CHANGE IN NET ASSETS</b>	(66,791)	-	(66,791)
<b>NET ASSETS - BEGINNING OF YEAR</b>	409,367	-	409,367
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 342,576</u>	<u>\$ -</u>	<u>\$ 342,576</u>

See Accompanying Notes

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Page 6**

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 225,565	\$ -	\$ 225,565
Contributions	179,815	-	179,815
Special Events (Net Expenses of \$28,035)	49,741	-	49,741
Contributed Food	27,152	-	27,152
Other Revenues	718	-	718
Interest Income	292	-	292
	<u>483,283</u>	<u>-</u>	<u>483,283</u>
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	-	-	-
<b>FUNCTIONAL ALLOCATION OF EXPENSES</b>			
Program	377,143	-	377,143
General and Management	101,540	-	101,540
Fundraising	79,715	-	79,715
	<u>558,398</u>	<u>-</u>	<u>558,398</u>
<b>CHANGE IN NET ASSETS</b>	(75,115)	-	(75,115)
<b>NET ASSETS - BEGINNING OF YEAR</b>	484,482	-	484,482
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 409,367</u>	<u>\$ -</u>	<u>\$ 409,367</u>

See Accompanying Notes

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**Page 7**

	PROGRAM	GENERAL AND MANAGEMENT	FUNDRAISING	TOTAL
<b>EXPENSES</b>				
Advertising	\$ 8,057	\$ -	\$ 4,338	\$ 12,395
Auto	11,375	-	-	11,375
Bank Service Charges	-	1,388	-	1,388
Communications	2,709	1,328	1,275	5,312
Dues and Subscriptions	-	4,808	-	4,808
Food Purchases	150,335	-	-	150,335
Insurance	9,998	4,901	4,705	19,604
Meals and Entertainment	2,737	684	-	3,421
Office	3,740	1,247	-	4,987
Outside Services	6,174	24,698	-	30,872
Postage and Delivery	2,516	-	4,673	7,189
Printing and Copying	18,154	484	5,570	24,208
Professional Fees	500	2,000	-	2,500
Rent	41,825	13,942	-	55,767
Salaries and Related Benefits	150,020	73,539	70,598	294,157
Security	1,059	353	-	1,412
Supplies	3,318	18,800	-	22,118
Tax and License	1,190	583	560	2,333
Travel	4,028	504	504	5,035
Utilities	2,507	836	-	3,342
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	420,242	150,095	92,221	662,558
Depreciation	6,721	3,310	-	10,031
<b>TOTAL EXPENSES</b>	<u>\$ 426,963</u>	<u>\$ 153,405</u>	<u>\$ 92,221</u>	<u>\$ 672,589</u>

See Accompanying Notes



**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Page 8**

	PROGRAM	GENERAL AND MANAGEMENT	FUNDRAISING	TOTAL
<b>EXPENSES</b>				
Advertising	\$ 4,898	\$ -	\$ 2,412	\$ 7,310
Auto	11,450	-	-	11,450
Communications	3,556	1,248	1,435	6,239
Dues and Subscriptions	-	1,794	-	1,794
Food Purchases	128,294	-	-	128,294
Insurance	7,450	2,614	3,006	13,070
Meals and Entertainment	2,316	1,140	-	3,456
Office	3,704	1,300	1,495	6,499
Outside Services	3,299	13,195	-	16,494
Postage and Delivery	2,331	818	941	4,090
Printing and Copying	4,952	1,737	1,998	8,687
Professional Fees	1,140	4,560	-	5,700
Rent	27,173	9,058	-	36,231
Salaries and Related Benefits	143,768	50,445	58,012	252,225
Security	498	246	-	744
Supplies	21,076	7,395	8,504	36,975
Tax and License	426	995	1,422	2,843
Travel	320	-	-	320
Utilities	1,217	427	490	2,134
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>367,868</b>	<b>96,972</b>	<b>79,715</b>	<b>544,555</b>
Depreciation	9,275	4,568	-	13,843
<b>TOTAL EXPENSES</b>	<b>\$ 377,143</b>	<b>\$ 101,540</b>	<b>\$ 79,715</b>	<b>\$ 558,398</b>

See Accompanying Notes

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**Page 9**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (66,791)	\$ (75,115)
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Depreciation	10,031	13,843
Change in Operating Assets and Liabilities:		
Inventory	(14,330)	(958)
Prepaid Expenses	(3,690)	359
Grants Receivable	(12,181)	(8,651)
Unconditional Promises to Give	46,154	96,228
Deposits	-	(1,172)
Accounts Payable	3,772	5,096
Accrued Liabilities	331	(7,227)
	<u>30,087</u>	<u>97,518</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	(36,704)	22,403
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(2,503)	(18,671)
<b>NET (DECREASE)/INCREASE IN CASH</b>	(39,207)	3,732
<b>CASH, BEGINNING OF YEAR</b>	176,990	173,258
<b>CASH, ENDING OF YEAR</b>	<u>\$ 137,783</u>	<u>\$ 176,990</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest Paid	\$ -	\$ -
Income Taxes Paid	\$ -	\$ -

See Accompanying Notes

**THE ANGEL'S DEPOT**  
**A NONPROFIT ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**Page 10**

**NOTE 1 ORGANIZATION**

The Angel's Depot (the "Organization") is a California nonprofit organization, with no religious affiliation, formed in April 2005, and dedicated to serving a population of 50,000 senior citizens living in poverty in San Diego County.

The Organization's Mission Statement is: "The Angel's Depot was founded to provide food for the elderly poor living in San Diego County and to help improve the quality of their lives; to promote community awareness and support for impoverished seniors and to act as a conduit to other available resources." The Angel's Depot program has 3 key service areas: 1). Providing "Senior Food-for-a-Week" Emergency Meal Boxes, containing breakfast, lunch, dinner and snacks for a week, free of charge, to seniors living in poverty in San Diego County. This program was designed to eradicate senior malnutrition and food insecurity and to provide a food safety net between Social Security checks; the average income of seniors served is \$791 per month. 2). Providing advocacy for seniors who have complex critical needs, including services of a Senior Case Manager, who also writes a health and wellness newsletter for insertion into the monthly emergency meal boxes, with other valuable senior resource information. 3). Providing community education as to the plight of the local elderly poor and engaging the community in solving their senior hunger crisis by providing volunteer opportunities such as food drives, meal box packings and community ambassadorship; providing donor opportunities such as foundation and corporate grant funding, the annual S.O.S. (Saving Our Seniors) \$25 Meal Box Sponsorship Campaign, corporate sponsorship and special event fundraisers, such as the annual gala evening each November.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from these estimates.

**Basis of Presentation** - The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**Page 11**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Unrestricted Net Assets - Consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Unrestricted net assets also include amounts designated for certain purposes by the Board of Directors.

Temporarily Restricted Net Assets - Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. At December 31, 2012 and 2011, there were no temporarily restricted net assets.

Permanently Restricted Net Assets - Permanently restricted amounts are those which are restricted by donors that neither expire by the passage of time nor can be fulfilled or removed by actions of the Organization. At December 31, 2012 and 2011, there were no permanently restricted net assets.

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

Inventory - Inventory consists of non-perishable food and is valued at the lower of cost, market, or donated value determined using the first-in-first-out method.

Property and Equipment - Property and equipment are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of five to seven years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

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

Revenue Recognition - Revenue is recognized when earned, which may be when cash is received, unconditional promises made, in-kind donations received or services rendered.

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**Page 12**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Donated Goods and Services - Contributions of donated noncash assets are recorded at their fair values in the period received. The fair market value of donated food is determined using observable prices of identical or similar products sold by major retailers. The value of the donated food received was \$35,541 and \$27,152 for the years ended December 31, 2012 and 2011, respectively. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and that would have been purchased if they were not donated, are recorded at their fair values in the period received. During the years ending December 31, 2012 and 2011, the Organization had many individuals volunteer substantial time and effort in order to perform a variety of tasks including assembling and distributing of food boxes for senior citizens. However, these services do not meet the criteria for recognition as contributed services.

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

Advertising Costs - The Organization expenses advertising costs as they are incurred. Advertising expense was \$12,395 and \$7,310 for the years ended December 31, 2012 and 2011, respectively.

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

The Organization follows standards which provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax position and believes that all of the positions taken in its exempt organization tax returns are more likely than not to be sustained upon examination. As of December 31, 2012 and 2011, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California. The Organization is no longer subject to U.S. and California examination by tax authorities for years before 2009 and 2008, respectively.

**THE ANGEL'S DEPOT**  
**A NONPROFIT ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**Page 13**

**NOTE 3 CASH**

The Organization did not have cash in excess of the federally insured limits of \$250,000 as of December 31, 2012 and 2011. The Company maintains its bank accounts at one commercial bank located in California.

**NOTE 4 GRANTS RECEIVABLE**

The Organization has received Community Development Block Grants (CDBG) from five different cities: San Diego, Oceanside, Carlsbad, Vista and El Cajon. Under the grant agreements the cities will reimburse the Organization for allowable costs incurred in generating their emergency meal boxes and distributing them inside their city limits. Receivables at year end represent amounts that have been incurred and billed for allowable costs. Payments on these invoices are typically collected within sixty days. Grant receivables totaled \$20,832 and \$8,651 as of December 31, 2012 and 2011 respectively.

**NOTE 5 PROPERTY AND EQUIPMENT**

Major categories of property and equipment are summarized as follows:

	2012	2011
Vehicles	\$ 48,061	\$ 48,061
Warehouse Equipment	25,775	24,574
Computer Equipment	24,635	23,333
Office Equipment	11,343	11,343
Furniture and Fixtures	3,791	3,791
	<u>113,605</u>	<u>111,102</u>
Accumulated Depreciation	(91,864)	(81,833)
	<u>\$ 21,741</u>	<u>\$ 29,269</u>

Depreciation expense was \$10,031 and \$13,843 for the years ended December 31, 2012 and 2011, respectively.

**THE ANGEL'S DEPOT**  
**A NONPROFIT ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

Page 14

**NOTE 6 UNCONDITIONAL PROMISES TO GIVE**

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

Unconditional promises to give consist of the following at December 31:

	2012	2011
Unrestricted	\$ 150,000	\$ 200,000
Less: Discount to Present Value	-	(3,846)
	<u>\$ 150,000</u>	<u>\$ 196,154</u>

Unconditional promises to give due in one to three years are discounted at 4%.

**NOTE 7 FAIR VALUE MEASUREMENT**

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

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

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

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



**THE ANGEL'S DEPOT**  
**A NONPROFIT ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**Page 15**

**NOTE 7 FAIR VALUE MEASUREMENT (Continued)**

Assets Recorded at Fair Value on a Nonrecurring Basis - The Organization may be required, from time to time, to measure certain assets at fair value on a nonrecurring basis in accordance with GAAP. The adjustments to fair value usually result from the application of lower-of-cost-market accounting or write-downs of individual assets. For assets measured at fair value on a nonrecurring basis in 2012 and 2011 that were still held in the balance sheet at each respective year end, the following table provides the fair value hierarchy and the carrying value of the related individual assets or portfolios at year end.

Assets	2012 Level 1	2012 Level 2	2012 Level 3	2012 Total
Unconditional Promises to Give	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>

Assets	2011 Level 1	2011 Level 2	2011 Level 3	2011 Total
Unconditional Promises to Give	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,154</u>	<u>\$ 196,154</u>

The unconditional promises to give are valued using a discounted cash flow model and are classified as Level 3.

The following summarizes fair value measurements using significant Level 3 inputs, and changes therein, for the year ended December 31, 2012:

	Unconditional Promises to Give
Balance at January 1, 2012	<u>\$ 196,154</u>
New Pledges Received	50,000
Collections	(100,000)
Change in Present Value on Pledges	<u>3,846</u>
Balance at December 31, 2012	<u>\$ 150,000</u>

**THE ANGEL'S DEPOT  
A NONPROFIT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**Page 16**

**NOTE 7 FAIR VALUE MEASUREMENT (Continued)**

The following summarizes fair value measurements using significant Level 3 inputs, and changes therein, for the year ended December 31, 2011:

	Unconditional Promises to Give
Balance at January 1, 2011	\$ 292,382
New Pledges Received	-
Collections	(100,000)
Change in Present Value on Pledges	3,772
Balance at December 31, 2011	<u>\$ 196,154</u>

**NOTE 8 ACCRUED LIABILITIES**

Accrued liabilities consist of the following:

	2012	2011
Payroll	\$ 4,696	\$ 5,276
Vacation	3,013	2,102
	<u>\$ 7,709</u>	<u>\$ 7,378</u>

**NOTE 9 COMMITMENTS**

The Organization currently has an agreement to lease office space. The lease is non-cancelable and expires in August 2013. Minimum future payments under the non-cancelable lease for the year ended December 31, 2013 is \$34,485. The Organization also leases a storage space on a month-to-month basis for \$329 per month.

The total rent expense including CAM charges for the years ended December 31, 2012 and 2011 was \$55,767 and \$36,231, respectively.

**NOTE 10 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 10, 2013, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.



Where you will find us . . .

1497 Poinsettia Avenue, Suite 158  
Vista, CA 92081

Telephone: (760) 599-7093

FAX: (760) 599-6402

Web Site: [www.theangelsdepot.org](http://www.theangelsdepot.org)

The Angel's Depot is a 501(c)3

Providing Dignity and "Senior Food-for-a-Week"  
21-Meal Emergency Food Boxes FREE to  
Older Americans Living in Poverty  
in San Diego County

December 19, 2013

## BOARD RESOLUTION

WHEREAS, The Angel's Depot requires the financial support of the community to operate;

AND WHEREAS, The Angel's Depot therefore needs to solicit for funds for food and operations by means of grant writing to government agencies, private and public foundations, corporations and individuals;

AND WHEREAS, The Angel's Depot must enter into contracts for grants and general operating purposes;

BE IT RESOLVED that The Angel's Depot Board of Directors hereby voted at the Board Meeting on this date, December 19, 2013, to give Susan Hall, Founder & Executive Director of The Angel's Depot, the authority to request funding and enter into contracts on behalf of the Board of Directors for the upcoming calendar year 2014.

RESOLUTION AUTHORIZED BY:

Al Pfeltz

President of the Board of Directors  
The Angel's Depot

Date: 12/19/13

Russ Barbour

Treasurer of the Board of Directors  
The Angel's Depot

Date: 12/19/13

### The Angels Who Support Us

#### FOUNDING PARTNERS

Rincon Band of Luiseno Indians  
Caesars Foundation  
County of San Diego

#### THE BOARD OF DIRECTORS

**Al Pfeltz**

Founding President of the Board  
Owner, Sun Wireless

**Dale Ganzow**

1<sup>st</sup> Vice President of the Board  
Sales Manager, S.D. Business Journal  
**Al Guerin**

2<sup>nd</sup> Vice President of the Board

Founding Board Member  
Assistant Sheriff, SDSO, Retired

**Susan Stames Hall**

Secretary of the Board

Founder & Executive Director, The Angel's Depot

**Russell Barbour**

Treasurer of the Board

Market Sales Director, So. California, Humana

**Juanita Hayes**

Public Affairs Manager, SDG&E

**Robin Zetts**

Director, Product & Service Excellence,  
Harrah's Rincon Casino & Resort

#### HONORARY BOARD MEMBERS

**Janet Beronio, JD**

Founding Board Member

Regional President

Harrah's Rincon & Ak Chin Casinos & Resorts

**Attorney Carla DiMare, J.D.**

Rancho Santa Fe, CA & Boston, MA

**Jack Feller**

Oceanside City Councilmember

**Derek J. Lobo, J.D.**

Law Firm Partner, Page, Lobo, Costales & Preston

**Debra Lusardi**

Owner, Lusardi Construction

**Richard Romanello**

Owner, Holiday Travel of America

**John Sanders**

Owner, CHM Hotels

**Ted Vallas, Sr.**

Founder, California Pacific Airlines

#### ~ ANGEL DONORS ~

**\$300,000 and above**

Rincon Band of Luiseno Indians  
Caesars Foundation  
County of San Diego

**\$150,000 and above**

City of San Diego, funded by CDBG/HUD  
The California Wellness Foundation  
Walmart Foundation

**\$100,000 and above**

Harrah's Rincon Casino & Resort  
Estate of Janet Wilson  
Leichtag Family Foundation  
Genentech Foundation  
Seth Sprague Charitable Foundation

**\$75,000 and above**

NRG Energy San Diego  
Rancho Santa Fe Foundation

**\$50,000 and above**

Howard Charitable Foundation  
TriCity Healthcare District  
DATRON/Barter Family

**\$20,000 and above**

Al Pfeltz, Sun Wireless  
Anonymous Donor Number One  
AT&T Foundation  
BioFilm - Dan & Lois Wray  
City of Oceanside funded by CDBG/HUD  
City of Vista funded by CDBG/HUD  
Debra and Warner Lusardi Foundation  
Gladys Young  
Nordson Foundation  
Weingart Foundation  
Wall-Fagan Bank Foundation

DARRELL E. ISSA  
49TH DISTRICT, CALIFORNIA



COMMITTEE ON OVERSIGHT AND  
GOVERNMENT REFORM  
CHAIRMAN

COMMITTEE ON THE JUDICIARY

INTELLECTUAL PROPERTY  
SUBCOMMITTEE

WASHINGTON OFFICE:  
2347 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-3906  
FAX: (202) 225-3303

DISTRICT OFFICE:  
1800 THIBODO ROAD, SUITE 310  
VISTA, CA 92081  
(760) 599-5000  
FAX: (760) 599-1178

SOUTHWEST RIVERSIDE COUNTY  
(951) 693-2447  
[www.issa.house.gov](http://www.issa.house.gov)

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0549**

August 7, 2013

Ms. Susan Hall  
Founder and Executive Director  
The Angel's Depot  
1497 Poinsettia Avenue, Suite 158  
Vista, California 92081

Dear Ms. Susan Hall,

I would like to express admiration for your unparalleled commitment to creating and leading The Angel's Depot. I would like to personally congratulate The Angel Depot's accomplishments, including the distribution of One Million Pounds of Food in only 80 months of operation. Along with the generosity and dedication of our community members, you have made it possible to assist others and lend a hand in times of need while maintaining their sense of pride and personal independence. Your organization is truly an asset to the community.

The 49<sup>th</sup> District of California immensely appreciates your efforts and I am sincerely honored to represent constituents who have altruistically dedicated their time and efforts to help others. I wish you continued success in your future endeavors.

Sincerely,

A handwritten signature in blue ink, appearing to read "Darrell E. Issa".


Darrell E. Issa  
Member of Congress



# SAN MARCOS COMMUNITY FOUNDATION

## Grant Cover Page

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

<b>Project Name:</b> Residential Services Program	<b>Total # of people served:</b> 60 <b>Total # of San Marcos residents served:</b> 60	<b>Amount Requested:</b> \$5,000
<b>Date Submitted:</b> <del>06/25/2014</del> 7/2/2014		
<b>Non-Profit Organization Name and Address, Website</b> Casa de Amparo 325 Buena Creek Road San Marcos, California 92069 <a href="http://www.casadeamparo.org">http://www.casadeamparo.org</a>	<b>Contact Person – Name, Title &amp; Phone, email</b> Katherine M. Karpé, CFRE Director of Development 760-754-5500 <a href="mailto:kkarpe@casadeamparo.org">kkarpe@casadeamparo.org</a>	
<b>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</b> Casa de Amparo is respectfully requesting support for our Residential Services Program (RSP) which improves the quality of life for children and teens that have been removed from their homes due to abuse or neglect. The RSP is a Level 12 residential group home meaning the majority of residents are dealing with significant behavioral and mental health challenges as a result of their mistreatment. The program's services are therapeutically-based and ensure that each resident has the necessary means to succeed once they leave our care. The RSP accommodates up to 42 children, prenatal to 21 years old, while supporting approximately 60 residents throughout the year. The program's ultimate goal is to assist residents as they overcome the traumatic effects of abuse so they can enter their next stage in life as healthy members of our community.		
<b>Briefly describe the significance of your request to the San Marcos community:</b> The RSP is a unique program that provides our most vulnerable children with an opportunity to overcome horrific events in their lives. All the residents of our RSP are residents of San Marcos. Our programs are aimed at the treatment and prevention of child abuse and neglect in our community. By assisting children as they overcome the trauma of abuse, we are able to prepare them academically, emotionally and developmentally to excel at the next stage in their lives.		
Please attach the following items.		
<b>Both Mini-Grant &amp; Regular:</b> <ol style="list-style-type: none"> <li>1. Budget for request (use SMCF Budget Worksheet)</li> <li>2. Annual Operating budget for the organization or unit</li> <li>3. Federal &amp; State Tax ID numbers</li> <li>4. Board of Directors listing with affiliations</li> </ol>		
<b>5. Regular Grants Only:</b> <ol style="list-style-type: none"> <li>a. 1-2 page narrative</li> <li>b. First 2 pages of Federal 990</li> <li>c. Most recent year-end Statement or Audit including any management letters associated with Audit.</li> <li>d. Signature of President or Authorized Officer on Application</li> <li>e. Optional: letters of support</li> </ol>		
<b>Expected date project will begin/end:</b> September 1, 2014 to June 30, 2015  <b>Date by which funds will be expended:</b> June 30, 2015		
Signature of President or Authorized Officer  Name, Title                      Date Executive Director                      7/2/2014		
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>		

## Narrative

Casa de Amparo was established in 1978 in California as a 501(c)(3) and has been providing supportive services to San Diego County residents for over 36 years. The mission of Casa de Amparo is to support those affected by and at risk of child abuse and neglect through a range of programs and services that promote healing, growth and healthy relationships. This continuum of services promotes family enrichment, reunification, and preservation through programs focused on child and parent education, as well as child abuse prevention and intervention. Casa de Amparo's goals are to: 1) Break the cycle of family violence, 2) Prevent behaviors which endanger children, and 3) Implement programs and services that further Casa de Amparo's mission. Casa de Amparo's continuum of programs and services supports approximately 850 children, 450 adults and 675 families on an annual basis. These programs include:

1. **Residential Services** - 24-hour services, support and care for abused and neglected children, prenatal to age 21.
2. **Hayward Child Development Center** - Therapeutic preschool for children, 18 months to 5 years of age, and evidence-based parent education for families.
3. **New Directions** - Transitional housing for young adults, ages 18 to 24, who have emancipated from the foster care system.
4. **Young Parent Network** - Evidence-based treatment and recovery services for pregnant and parenting youth ages 24 and younger.
5. **Family Visitation Services** - For parents that have been separated from their children and wish to interact in a safe and supervised setting, while working with the court system toward healthy reunification, if appropriate
6. **Counseling Services** - For clients in other Casa de Amparo programs or outpatient families needing evidence-based clinical support to improve their ability to provide a safe and nurturing home for their children.

Casa de Amparo is respectfully requesting \$5,000 from the San Marcos Community Foundation to offset expenses associated with Residential Services, our most underfunded program. Casa de Amparo's Residential Services opened in 1978 and provides 24-hour trauma-informed child abuse treatment and support for approximately 60 foster youth removed from their homes due to abuse or neglect each year. The program ensures that regardless of a child's medical condition, behavioral challenge or length of time in our care, every child has access to an environment where they have the fullest range of healthy childhood experiences and ultimately maximize their level of independence as young adults. Support from the San Marcos Community Foundation will continue to benefit the individualized treatment for residents affected by child abuse and neglect in San Marcos by insuring they receive an exceptional level of care through the following services at our Residential Services Program:

- Medical assessments and coordination with specialists for residents with special health care needs
- Transportation to all medical appointments and supervised visits with extended family members
- 1 to 1 counseling and group therapy with licensed clinicians and pre-licensure interns
- Education and tutoring via 1:1 instruction
- Literacy skill building
- Job readiness for older teens nearing emancipation from foster care
- Nutrition education
- Encouraging healthy eating habits and providing nutritious meals and snacks for every resident, every day of the year
- Recreational and therapeutic activities incorporating art, life skills, sports and outdoor activities

Since moving to our new 11.4-acre Casa Kids Campus in San Marcos in 2012, Casa de Amparo has continued to increase offerings and expand our footprint in San Diego County. Those suffering from and impacted by child abuse and neglect are thriving in a place of healing in which they can be proud, while our organization can

prosper and grow to help additional underserved populations. Our three Residential Services cottages, counseling offices, a library, medical services center, expansive outdoor learning areas, arts and recreation rooms, a basketball court, picnic areas, and gardens provide convenience and accessibility. Child-friendly interiors, sustainable landscaping and design add to a comforting, healing and efficient environment for children receiving residential care with and other elements providing convenience, accessibility and welcoming interiors in a comforting and efficient environment for healing and learning. The Campus improves and enhances our ability to support additional children and meet continuously evolving needs by integrating education, physical wellness, life skills and other services for our full-time residents.

Casa de Amparo uses "Social Solutions Efforts to Outcomes" (ETO) software for confidential and secure data collection, such as bednights, demographics and number of unduplicated youth served. This is our main source for tracking outcomes and qualitative/ quantitative results and has been customized by our project software managers to meet the individualized needs and outcomes of all of our programs. Outcomes, participation, and demographic reports are reviewed monthly by our Program Managers and reported to funders in an effort to share the impact of their support.

Casa de Amparo also monitors each resident's progress by using the County's Functional Assessment Rating Scale (CFARS) measuring physical, emotional and academic development. In measuring children at intake and discharge, we typically expect the following percentages of children to show improvement in the listed areas upon discharge:

- 90% to show improvement with ADL functioning (= adult daily living activities)
- 80% to show improvement in medical status and physical health
- 80% to show improvement with substance use
- 75% to show improvement in relationships (= interpersonal, hyperactivity, cognitive thought process)
- 70% to show improvement in emotionality (= anxiety, traumatic stress, depression)

We received licensure in early 2014 to support pregnant and parenting teen moms in the foster care system and enrolled our first client in April. This has increased our capacity from 20 to 42 residents (including 10 infants). Casa de Amparo is experiencing tremendous program growth as we remain responsive to the evolving needs of local youth. Your support will be leveraged with other current and new partners dedicated to the community's most pressing needs. During the time period supported by our most recent award from the San Marcos Community Foundation, Casa de Amparo has served 54 children with 4,766 bednights through the end of May 2014. Since our current capacity did not take effect until the current grant period was underway, we anticipate supporting an increased number of foster youth in the next grant period.

Partnering with San Marcos Community Foundation and our local community, we can put an end to the prevalent problem of child abuse and neglect. With your support, the future can be one where children are safe, nurtured and provided with the opportunity to thrive, without the fear of abuse or neglect. Casa de Amparo appreciates your consideration to support our Casa Kids and looks forward to strengthening our partnership that directly impacts San Marcos's most vulnerable children.



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

Provide an itemized list of expenses for this project:

Residential Services has an operating budget shortfall of \$393,842.37 (please see attached annual operating budget):

<u>Total Operating Expenses</u>	
Personnel Salaries	1,060,868.55
Personnel Taxes	202,043.76
Personnel Benefits	96,507.15
Supplies	45,535.00
Telephone	4,766.25
Postage & Shipping	80.00
Occupancy	87,809.02
Printing	75.00
Transportation	42,068.05
Training, Meetings & Other	5,240.52
Advertising & Recognition	1,280.00
Children's Medical	300.00
Children Psychology	2,400.00
Recreation & Cultural Events	7,000.00
Child Allowance	7,000.00
Other Program Expense	10,000.00
Licenses/Prints	2,200.00
Equipment Expense	11,189.85
Miscellaneous Expense	105.47
Administrative Overhead	110,571.90
<b>Total EXPENDITURES</b>	<b>1,697,040.53</b>

**Total budget for this PROJECT:** **\$1,697,040.53**

**Grant Request Amount:** **\$5,000.00**

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

Is this a challenge grant? **No**

Could it be? **No**

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

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

**Committed and Received** *(These are major sources of funding (greater than \$1,000) for Residential Services during FY 2013-14. We anticipate receiving a similar amount of support from the same entities during FY 2014-15.)*

\$25,161.94 - Zable Foundation

\$20,000.00 - St. Germaine Children's Charity

\$15,000.00 - Genentech

\$10,000.00 - Variety - The Children's Charity of Southern California

\$10,000.00 - Day For Change

\$8,000.00 - Nordson Corporation Foundation  
\$5,000.00 - SDG&E  
\$5,000.00 - Tri-City Healthcare District  
\$5,000.00 - Livingston Family Foundation  
\$5,000.00 - Nordstrom  
\$5,000.00 - TJX Foundation  
\$2,500.00 - Heller Foundation  
\$2,250.00 - Pratt Memorial Fund  
\$2,000.00 - San Marcos Community Foundation  
\$1,500.00 - Daphne Seybolt Culpepper Memorial Foundation  
\$1,000.00 - San Diego Unified School District Community Service Association  
\$1,000.00 - The SUNDT Foundation

**Committed and Pending** – *Approved during FY 2013-14, but funds will not be awarded until FY 2014-15.*

\$10,000.00 - Country Friends  
\$5,000.00 - Nordstrom Cares

**Pending** – *Applied during FY 2013-14, but any awards will not be awarded until FY 2014-15.*

\$100,000.00 Genentech Foundation  
\$15,000.00 Variety – The Children's Charity of Southern California  
\$10,000.00 - Nordson Corporation Foundation  
\$5,500.00 - Dalebrook Fund  
\$5,000.00 - Cubic Corporation  
\$5,000.00 - Fox Fund  
\$5,000.00 - Northrop Grumman  
\$3,000.00 - Daphne Seybolt Culpeper Memorial Foundation



*The following budget reflects program services for up to 20 children. Casa de Amparo is currently in the process of finalizing our program budget to reflect our recently increased capacity (see Narrative) and the associated staffing and resource expenditures. We will send along an updated budget to the San Marcos Community Foundation by July 31, 2014.*

### **Casa de Amparo FY 14-15 General Operating Program Budgets**

	<b>Residential Services</b>
<u>Total Operating Expenses</u>	
Personnel Salaries	1,060,868.55
Personnel Taxes	202,043.76
Personnel Benefits	96,507.15
Supplies	45,535.00
Telephone	4,766.25
Postage & Shipping	80.00
Occupancy	87,809.02
Printing	75.00
Transportation	42,068.05
Training, Meetings & Other	5,240.52
Advertising & Recognition	1,280.00
Children's Medical	300.00
Children Psychology	2,400.00
Recreation & Cultural events	7,000.00
Child Allowance	7,000.00
Other Program Expense	10,000.00
Licenses/Prints	2,200.00
Equipment Expense	11,189.85
Miscellaneous Expense	105.47
Administrative Overhead	110,571.90
<b>Total EXPENDITURES</b>	<b>1,697,040.53</b>
 <u>Secured Revenue</u>	
AFDC	1,298,198.16
CDBG Contracts	5,000.00
<b>Total REVENUE</b>	<b>1,303,198.16</b>
 <b>AMOUNT UNFUNDED</b>	 <b>(393,842.37)</b>

*Serving all of San Diego County with locations in Oceanside and San Marcos*

325 Buena Creek Road, San Marcos, CA 92069

Phone: 760-754-5500 • Fax: 760-566-3569 • [www.casadeamparo.org](http://www.casadeamparo.org)





## Casa de Amparo FY 2014-2015 Annual Operating Budget

### INCOME

Contributions	\$1,953,211.00
Contracts	\$5,226,207.00
In-Kind Donations	-
Service Fees	\$40,578.00
Miscellaneous	\$87,475.00
<b>Grand Total - Income</b>	<b>\$7,307,471.00</b>

### EXPENSES

In-Kind Expenses	-
Personnel Salaries & Wages	\$3,800,749.88
Employee Benefits	\$255,391.87
Payroll Taxes	\$611,586.43
Professional Services	\$152,325.50
Supplies	\$162,275.67
Occupancy, Telephone & Postage	\$682,738.32
Printing, Newsletters & Mail Campaigns	\$11,817.60
Transportation	\$136,330.25
Trainings, Meetings & Other	\$33,194.50
Employment Advertising and Recognition	\$15,868.00
Program Expenses	\$180,110.90
Equipment Expenses	\$71,239.76
Miscellaneous	\$569,095.95
<b>Grand Total Expenses</b>	<b>\$6,682,724.64</b>
Net Outcome	\$624,746.36
Net Outcome without Depreciation/Free Use of Ivy Ranch Land	\$1,060,501.81

*Serving all of San Diego County with locations in Oceanside and San Marcos*

325 Buena Creek Road, San Marcos, CA 92069

Phone: 760-754-5500 • Fax: 760-566-3569 • [www.casadeamparo.org](http://www.casadeamparo.org)



Department of the Treasury  
Internal Revenue Service

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

In reply refer to: 4077589886  
Mar. 10, 2014 LTR 4168C 0  
95-3315571 000000 00

00049736

BODC: TE

CASA DE AMPARO  
% ELIZABETH PORTER  
325 BUENA CREEK RD  
SAN MARCOS CA 92069-9679



014742

Employer Identification Number: 95-3315571  
Person to Contact: Mr. Schatz  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Jan. 16, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in August 1979.

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

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

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

4077589886  
Mar. 10, 2014 LTR 4168C 0  
95-3315571 000000 00  
00049737

CASA DE AMPARO  
% ELIZABETH PORTER  
325 BUENA CREEK RD  
SAN MARCOS CA 92069-9679

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tamera Ripperda". The signature is fluid and cursive, with a large, sweeping initial 'T'.

Tamera Ripperda  
Director, Exempt Organizations





## FRANCHISE TAX BOARD

SACRAMENTO, CALIFORNIA 95867

Telephone: (800) 852-5711

March 26, 1979

In reply refer to  
344: R:bp:g

Casa De Amparo  
4070 Mission Road, Suite 220  
San Luis Rey, CA 92068

Purpose : Charitable  
Form of Organization : Corporation  
Accounting Period Ending: December 31  
Organization Number : 0881516

On the basis of the information submitted and provided your present operations continue unchanged or conform to those proposed in your application, you are exempt from state franchise or income tax under Section 2370ld, Revenue and Taxation Code. Any change in operation, character or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address also must be reported.

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

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 2373l of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 3rd month (2 1/2 months) after the close of your annual accounting period.

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

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

This exemption effective as of January 15, 1979.

This letter supersedes our letter dated March 23, 1979, and is issued to show an effective date.

*Anderson Scott*  
Exempt Organization Section

cc: Registrar of Charitable Trusts



**Casa de Amparo**  
**2014 Board of Directors Roster**

*100% of Casa de Amparo's Board of Directors contributes  
to the organization, including annual and capital gifts.*

**Chair of the Board**

Marilou Dela Rosa (10/09-12/15)  
Owner, Access Care Culture of Caring

**Vice-Chair**

John Ayala (2/11-12/16)  
Financial Advisor, Merrill Lynch

**Immediate Past Chair**

Mark Allyn, PMP, CPM (2/08-12/16)  
Senior Manager, Dell, Inc.

**Treasurer**

Debbie Slattery (3/06-12/15)  
Branch Manager & Vice President,  
California Bank & Trust

**Secretary**

Sharon Stein (6/93-12/14)  
Member of the Board of Directors, Stein  
Family Foundation

**Members of the Board**

Richard Berwick (10/13-12/16)  
Senior Director of Strategic Investments,  
Qualcomm

Mary Ann Bosanac (11/13-12/16)  
Realtor

James Collins (5/13-12/15)  
Head Athletic Trainer, San Diego  
Chargers (Chargers Liaison to Casa  
Board)

Jim Fish (5/12-12/14)  
Retired Executive

Shannon Gonzalez (10/13-12/16)  
Finance Director, Noble Environmental  
Technologies

Jim Grant (8/12-12/15)  
President, J.E. Grant General  
Contractors

Kayleen Huffman (10/13-12/16)  
CFO, Bassett Home Furnishings

Duffy Keys (5/10-12/15)  
Principal, B Cellars Napa Valley Blends

Michael Platis (3/07-12/15)  
Project Manager

Francesca San Diego (12/12-12/15)  
Business Consultant

Jerry Stein (12/03-12/15)  
Member of the Board of Directors, Stein  
Family Foundation

**Executive Director**

Tamara Fleck-Myers, LMFT

**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)

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

**2012****Open to Public  
Inspection****A For the 2012 calendar year, or tax year beginning****07/01, 2012, and ending****06/30, 2013****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

**C** Name of organization

CASA DE AMPARO

Doing Business As

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

Room/suite

325 BUENA CREEK ROAD

City or town, state or country, and ZIP + 4

SAN MARCOS, CA 92069

**F** Name and address of principal officer: TAMARA FLECK-MYERS

325 BUENA CREEK ROAD, SAN MARCOS, CA 92069

**D** Employer identification number

95-3315571

**E** Telephone number

(760) 754-5500

**G** Gross receipts \$ 5,536,348.**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

**H(c)** Group exemption number ▶**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.CASADEAMPARO.ORG**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 1979**M** State of legal domicile: CA**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b>	Briefly describe the organization's mission or most significant activities: TO SUPPORT THOSE AFFECTED BY AND AT RISK OF CHILD ABUSE AND NEGLECT, THROUGH A RANGE OF PROGRAMS AND SERVICES THAT PROMOTE HEALING, GROWTH AND HEALTHY RELATIONSHIPS.		
	<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>	13.
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	13.
	<b>5</b>	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	<b>5</b>	115.
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	250.
	<b>7a</b>	Total gross unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0
<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0	
<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)	3,176,464.	1,764,642.
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,245,229.	3,493,888.
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,544.	15,005.
	<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	56,305.	10,601.
	<b>12</b>		6,484,542.	5,284,136.
<b>Expenses</b>	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,077,277.	3,533,800.
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ 594,037.		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1,714,186.	1,738,442.
	<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,791,463.	5,272,242.
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	1,693,079.	11,894.	
<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)	19,786,493.	19,597,146.
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	4,037,991.	3,836,757.
	<b>22</b>		15,748,502.	15,760,389.

**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			
	TAMARA FLECK-MYERS Type or print name and title	EXECUTIVE DIRECTOR			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	SANDRA L. FEINSMITH				P01064157
	Firm's name ▶ BDO USA, LLP			EIN ▶ 13-5381590	
	Firm's address ▶ 4250 EXECUTIVE SQUARE SUITE 600 LA JOLLA, CA 92037			Phone no. ▶ 858-404-9200	

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2012)

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No**1** Briefly describe the organization's mission:

ATTACHMENT 1

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

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

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

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

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ 1,829,359. including grants of \$ ) (Revenue \$ 1,310,573. )

ATTACHMENT 2

**4b** (Code: ) (Expenses \$ 929,908. including grants of \$ ) (Revenue \$ 890,542. )

ATTACHMENT 3

**4c** (Code: ) (Expenses \$ 587,017. including grants of \$ ) (Revenue \$ 458,854. )

ATTACHMENT 4

**4d** Other program services (Describe in Schedule O.) ATTACHMENT 5  
(Expenses \$ 1,278,525. including grants of \$ ) (Revenue \$ 833,919. )**4e Total program service expenses** 4,624,809.



## Casa de Amparo

### Financial Statements and Supplemental Information

As of and for the Year Ended June 30, 2013  
(With Comparative Information for June 30, 2012)

## **Casa de Amparo**

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### **Financial Statements and Supplemental Information**

**As of and for the Year Ended June 30, 2013  
(With Comparative Information for June 30, 2012)**

# Casa de Amparo

## Contents

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<b>Independent Auditor's Report</b>	<b>4-5</b>
<b>Financial Statements (With Comparative Information for June 30, 2012)</b>	
Statement of Financial Position as of June 30, 2013	7
Statement of Activities for the Year Ended June 30, 2013	8
Statement of Functional Expenses as of June 30, 2013	9
Statement of Cash Flows for the Year Ended June 30, 2013	10
Notes to Financial Statements	11-23
<b>Supplemental Information</b>	
Schedule of Expenditures of Federal, State and Other Awards	25-26
Note to Schedule of Expenditures of Federal, State and Other Awards	27
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>	28-29
Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Federal Awards Required by OMB Circular A-133	30-31
Schedule of Findings and Questioned Costs for Federal Awards	32



# Casa de Amparo

## Contents

---

### Supplemental Child Development Services Information

Independent Auditor's Report on the Supplementary Child Development Services Information	34
General Information	35
Combining Statement of Financial Position	36
Combining Statement of Activities	37
Child Development Expenses by Program	38
Reconciliation of Schedule of Expenditures by State Categories to Expenses Recorded in the Statement of Activities	39
California State Preschool Program and General Child Care & Development Program	40-48
Schedule of Findings and Recommendations for Child Development Services	49-50



Tel: 858-404-9200  
Fax: 858-404-9201  
www.bdo.com

4250 Executive Square, Suite 600  
La Jolla, CA 92037

## **Independent Auditor's Report**

To the Board of Directors  
**Casa de Amparo**  
San Marcos, California

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

We have audited the accompanying financial statements of Casa De Amparo (the "Organization"), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

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

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

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

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa De Amparo as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Report on Summarized Comparative Information***

We have previously audited Casa De Amparo 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2013 on our consideration of Casa De Amparo'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 Casa De Amparo's internal control over financial reporting and compliance.

*BDO USA, LLP*

San Diego, California  
November 8, 2013

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## Financial Statements

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**Casa de Amparo**  
**Statement of Financial Position**

<i>As of June 30,</i>	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,576,982	\$ 2,573,665
Restricted cash	303,633	80
Accounts receivable	470,105	251,995
Pledges receivable, net	201,465	421,896
Prepaid expenses and other current assets	59,918	176,515
<b>Total current assets</b>	<b>3,612,103</b>	<b>3,424,151</b>
Property and equipment, net of accumulated depreciation	13,976,372	14,271,085
<b>Other assets</b>		
Pledges receivable, net	270,440	307,994
Land lease	1,391,889	1,445,082
Deposits	9,460	104,149
Assets held by others	336,882	234,032
<b>Total other assets</b>	<b>2,008,671</b>	<b>2,091,257</b>
<b>Total assets</b>	<b>\$ 19,597,146</b>	<b>\$ 19,786,493</b>
<b>Liabilities and Net assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 70,807	\$ 89,881
Construction loan payable	-	3,413,846
Accrued compensation and other expenses	302,760	240,004
Contract overpayments	6,351	788
Deferred revenue	160,550	247,866
Current portion of loan payable	124,488	-
<b>Total current liabilities</b>	<b>664,956</b>	<b>3,992,385</b>
<b>Other Liabilities</b>		
Fair value of interest rate swap contract	12,193	-
Loan Payable, net current portion	3,114,002	-
Note Payable	45,606	45,606
<b>Total other liabilities</b>	<b>3,171,801</b>	<b>45,606</b>
<b>Total liabilities</b>	<b>3,836,757</b>	<b>4,037,991</b>
<b>Commitments and Contingencies</b>		
<b>Net assets</b>		
Unrestricted	14,275,782	14,217,984
Temporarily restricted	1,421,869	1,467,780
Permanently restricted	62,738	62,738
<b>Total net assets</b>	<b>15,760,389</b>	<b>15,748,502</b>
<b>Total liabilities and net assets</b>	<b>\$ 19,597,146</b>	<b>\$ 19,786,493</b>

*See accompanying notes to financial statements.*

**Casa de Amparo**  
**Statement of Activities**  
**(With Comparative Totals for the Year Ended June 30, 2012)**

<i>June 30,</i>	2013			Total	2012 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>Revenue and support</b>					
Contract revenue	\$ 3,402,801	\$ -	\$ -	\$ 3,402,801	\$ 3,215,205
Contributions	524,051	583,724	-	1,107,775	1,613,282
Special events revenue and related contributions	714,358	-	-	714,358	611,704
In-kind donations	207,220	-	-	207,220	1,114,473
Interest and other income	110,635	7,282	-	117,917	57,217
Net assets released from restrictions	636,917	(636,917)	-	-	-
<b>Total revenue and support</b>	<b>5,595,982</b>	<b>(45,911)</b>	<b>-</b>	<b>5,550,071</b>	<b>6,611,881</b>
<b>Expenses</b>					
Program services	4,635,168	-	-	4,635,168	4,082,561
Supporting services:					
General and administrative	55,768	-	-	55,768	99,004
Fundraising:					
Special events	252,212	-	-	252,212	132,774
Other	595,036	-	-	595,036	609,898
<b>Total expenses</b>	<b>5,538,184</b>	<b>-</b>	<b>-</b>	<b>5,538,184</b>	<b>4,924,237</b>
<b>Change in net assets</b>	<b>57,798</b>	<b>(45,911)</b>	<b>-</b>	<b>11,887</b>	<b>1,687,644</b>
<b>Net assets, beginning of year</b>	<b>14,217,984</b>	<b>1,467,780</b>	<b>62,738</b>	<b>15,748,502</b>	<b>14,060,858</b>
<b>Net assets, end of year</b>	<b>\$ 14,275,782</b>	<b>\$ 1,421,869</b>	<b>\$ 62,738</b>	<b>\$ 15,760,389</b>	<b>\$ 15,748,502</b>

*See accompanying notes to financial statements.*

# Casa de Amparo

## Statement of Functional Expenses (With Comparative Totals for the Year Ended June 30, 2012)

June 30,	Residential Services	New Directions Transitional Housing	Hayward Child Development Center	Family Visitation	Counseling Services	Young Parent Network	Total Program Services	General and Administrative	Fundraising	Total 2013	Total 2012
Salaries	\$ 1,072,431	\$ 395,557	\$ 285,710	\$ 281,402	\$ 334,381	\$ 173,843	\$ 2,543,324	\$ 8,345	\$ 380,322	\$ 2,931,991	\$ 2,578,379
Benefits	267,869	60,985	63,951	59,373	64,586	24,543	541,307	1,390	59,111	601,808	498,897
Professional Services	35,246	8,605	4,279	3,975	38,136	4,654	94,895	2,609	14,878	112,382	161,295
Supplies	50,389	19,383	11,129	3,839	3,899	3,482	92,121	229	3,307	95,657	105,965
Telephone	9,288	5,958	1,082	2,362	2,593	1,006	22,289	125	3,091	25,505	29,215
Postage & Shipping	283	121	145	70	167	45	831	34	3,658	4,523	9,519
Occupancy	52,100	190,935	27,882	32,198	21,411	5,386	329,912	695	13,590	344,197	378,800
Printing	119	88	28	61	36	25	357	2	10,201	10,560	15,959
Transportation	39,924	25,389	1,122	26,507	2,916	6,498	102,356	76	2,246	104,678	70,928
Training, Meetings, Other	5,664	2,642	1,489	1,809	11,770	5,848	29,222	344	7,976	37,542	36,353
Advertising and Promotion	1,331	549	274	675	331	155	3,315	30	3,436	6,781	5,068
Program Expense	28,914	43,548	7,833	1,674	12,152	2,158	96,279	17	-	96,296	58,477
Equipment Expense	39,747	13,717	5,627	8,344	9,759	4,551	81,745	1,119	19,223	102,087	457,180
Special Event Expense	-	-	-	-	-	-	-	-	252,212	252,212	132,774
Other In Kind	66,540	71,406	11,172	20,114	176	9,735	179,143	93	16,952	196,188	98,293
Interest Expense	44,987	25,363	3,180	13,709	21,274	1,097	109,610	1,096	12,544	123,250	55,336
Depreciation and Amortization	107,509	61,614	62,804	75,938	62,228	8,936	379,029	37,796	25,134	441,959	185,029
Miscellaneous	11,279	6,490	2,987	3,543	3,354	1,780	29,433	1,768	19,367	50,568	46,770
<b>Total Functional Expenses</b>	<b>\$ 1,833,620</b>	<b>\$ 932,350</b>	<b>\$ 490,694</b>	<b>\$ 535,593</b>	<b>\$ 589,169</b>	<b>\$ 253,742</b>	<b>\$ 4,635,168</b>	<b>\$ 55,768</b>	<b>\$ 847,248</b>	<b>\$ 5,538,184</b>	<b>\$ 4,924,237</b>

See accompanying notes to financial statements.



**Casa de Amparo**  
**Statement of Cash Flows**

<i>Years ended June 30,</i>	2013	2012
<b>Cash Flows from Operating Activities</b>		
Increase in net assets:	\$ 11,887	\$ 1,687,644
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	388,766	131,836
Amortization of free use of land	53,193	53,193
Investment (gains) losses	(20,730)	3,784
Loss on disposition of property and equipment	-	12,889
Loss on interest rate swap contract	12,193	-
(Increase) decrease in cash resulting from change in:		
Accounts receivable	(218,110)	(126,985)
Pledges receivable	257,985	450,995
Prepaid expenses and other current assets	116,597	(115,576)
Increase (decrease) in cash resulting from change in:		
Accounts payable	(19,074)	(36,917)
Construction loan payable	-	(737,248)
Accrued compensation and other expenses	62,756	77,542
Contract overpayments	5,563	(3,086)
Deferred revenue	(87,316)	49,194
<b>Net cash provided by operating activities</b>	<b>563,710</b>	<b>1,447,265</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(94,053)	(7,819,272)
Purchases of investments	(82,120)	-
Decrease (Increase) in deposits	94,689	(1,205)
<b>Net cash used by investing activities</b>	<b>(81,484)</b>	<b>(7,820,477)</b>
<b>Cash Flows from Financing Activities</b>		
Increase (decrease) in restricted cash for construction in progress/loan payments	(303,553)	3,106,643
Repayments on loan payable	(175,356)	3,413,846
<b>Net cash provided by (used in) financing activities</b>	<b>(478,909)</b>	<b>6,520,489</b>
<b>Net increase in cash</b>	<b>3,317</b>	<b>147,277</b>
<b>Cash, beginning of year</b>	<b>2,573,665</b>	<b>2,426,388</b>
<b>Cash, end of year</b>	<b>\$ 2,576,982</b>	<b>\$ 2,573,665</b>
<b>Supplemental disclosure:</b>		
Interest capitalized to loan payable	\$ 14,399	\$ 55,335
Interest paid	\$ 96,657	\$ -

*See accompanying notes to financial statements.*

# Casa de Amparo

## Notes to Financial Statements

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### 1. Organization and Summary of Significant Accounting Policies

#### *Nature of Activities*

Casa de Amparo (the "Organization") was established in 1978 in California as a non-profit corporation and is recognized as a 501(c)(3) Tax Exempt organization by the IRS. Casa de Amparo's mission is to support those affected by and at risk of child abuse or neglect through a range of programs and services that promote healing, growth, and healthy relationships.

Casa de Amparo is a community leader, providing programs and collaborative solutions addressing the physical, clinical, social, and emotional effects of child abuse and neglect. The organization currently offers six integrated child abuse prevention/remediation programs: The Hayward Child Development Center, providing therapeutic preschool and childcare as well as parent education; Family Visitation Services, providing supervised visits and promoting healthy family relationships and reunification; Residential Services, providing 24/7 care and supervision, support and therapeutic care for children 6-18 removed from the home due to abuse or neglect; the New Directions transitional housing and support program for former foster youth working toward achieving sustainable independence; the Young Parent Network, providing support to pregnant or parenting youth aged 24 and younger; and Counseling Services, providing trauma-informed therapy and case management for children and families experiencing or at-risk of child abuse. Unique in the community, Casa de Amparo's Residential Services program serves foster youth ages 6-18 years of age including children with special healthcare needs. The organization's continuum of services promotes family enrichment, reunification and preservation through programming focused on child and parent education, as well as child abuse prevention and intervention.

In June 2012, Casa de Amparo officially opened the Casa Kids Campus on 11.4 acres owned by the organization in the Twin Oaks Valley area of San Marcos. Residential Services and administrative offices, formerly in Oceanside, are now located on the new campus. Also located on the Casa Kids Campus are apartments for New Directions participants, Inland Family Visitation Services, and Counseling Services. The acres of land on the Casa Kids Campus provide open space for children and families including an open playing field, basketball court, two age-appropriate play structures, barbeque and picnic areas, community gardens, benches, walking paths, and other open sports areas. Convenience, accessibility, welcoming child-friendly interiors, and sustainable landscaping add to a comforting, healing and efficient environment for children and families receiving services throughout Casa de Amparo's programs. The new facility incorporates design concepts to provide a nurturing and calming environment for children and families. In addition to being LEED (Leadership in Energy and Environmental Design) certified, the campus is ADA (Americans with Disabilities Act) compliant and well equipped to meet the needs of children and families, including children who are medically fragile or who have disabilities. The new campus greatly increases the organization's capacity to serve greater numbers of children and families throughout San Diego County and to increase and enhance programs to meet evolving needs.

#### *Basis of Presentation*

The financial statements of the Organization have been prepared on the accrual basis of accounting which is in accordance with U.S. generally accepted accounting principles and, accordingly, reflect all significant receivables, payables, and other liabilities.

# Casa de Amparo

## Notes to Financial Statements

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### ***Use of Estimates***

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

### ***Financial Statement Presentation***

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

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

### ***Accounts Receivable***

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary at June 30, 2013 and 2012 as management believes that all amounts are collectible.

### ***Pledges Receivable***

Unconditional promises to give cash and other assets are recognized as contribution revenue and receivables in the period in which the promise is received. Depending on the existence and nature of donor-imposed restrictions, unconditional promises to give are reported either as unrestricted support that increases unrestricted net assets or as restricted support that increases permanently restricted or temporarily restricted net assets.

Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are discounted to their estimated net present value, see Note 3. After pledges are originally recorded, an allowance for uncollectible pledges may be established based on specific circumstances.

### ***Investments***

Investments with readily determinable fair values are reported at fair value with realized and unrealized gains and losses included in the change in net assets.

# Casa de Amparo

## Notes to Financial Statements

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### ***Property and Equipment***

Acquisitions of property and equipment of \$5,000 or more are capitalized. Property and equipment are stated at cost, or if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of five to 45 years.

	<i>Years</i>
Buildings	20 - 45
Furniture and equipment	5 - 7
Vehicles	5

### ***Valuation of Long-Lived Assets***

Accounting Standards Codification ("ASC") Topic 360, *Property, Plant, and Equipment* requires that long-lived assets and certain identifiable intangibles to be held and used by the Organization be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment, which is determined based upon the estimated fair value of the asset, is recorded when estimated undiscounted cash flows expected to be generated by the asset is insufficient to recover its net carrying value. As of June 30, 2013, the Organization did not identify any events or circumstances that would require the recognition of an impairment loss under this standard.

### ***Revenue and Support***

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Included in temporarily restricted contributions are contributions pertaining to the Casa Kids Campus Campaign totaling \$286,335 and \$944,156 for the years ended June 30, 2013 and 2012, respectfully.

Revenue from grants/contracts is recognized to the extent of eligible costs incurred up to an amount not to exceed the total grant/contract authorized. Deferred revenue results from grant awards received that are applicable to the subsequent period.



# Casa de Amparo

## Notes to Financial Statements

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### ***Contributed Materials and Services***

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. Certain contributed items are auctioned at the Organization's special events. Contributed items are included in the statements of activities as contributions and program and special event expenses. The Organization receives a substantial amount of services donated by volunteers in carrying out the Organization's program services. The services do not meet the criteria as contributions and are, therefore, not recognized in the financial statements. Included in temporarily restricted contributed materials are contributed materials pertaining to the Casa Kids Campus Campaign totaled \$0 and \$1,001,094 for the years ended June 30, 2013 and 2012, respectively.

### ***Income Taxes***

The Organization is a qualified nonprofit organization that 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. This exemption is for all income taxes except for those assessed on unrelated business income, if any. The Organization is not a private foundation.

The Organization uses a loss contingencies approach for evaluating uncertain tax positions and continually evaluates changes in tax law and new authoritative rulings. Management believes that the Organization has no uncertain tax positions. The Organization's returns for years ended June 30, 2012, 2011, and 2010 are subject to examination by federal and state taxing authorities, generally for three years after they are filed.

### ***Restricted Cash***

The Organization has restricted cash of \$303,633 and \$80 held at Wells Fargo Bank as of June 30, 2013 and 2012, respectively for the construction of the building at Twin Oaks Valley and for payments on the debt related to the Casa Kids Campus.

### ***Fair Value Measurements***

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

- Level 1* - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2* - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.
- Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

## Casa de Amparo

### Notes to Financial Statements

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

The carrying value of cash, receivables, and payables approximates fair value as of June 30, 2013, due to the relative short maturities of these instruments. The loan payable approximates fair value as the loan was just obtained at market value and there have been no significant changes in interest rates.

#### ***Functional Allocation of Expenses***

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

#### ***Recently Issued Accounting Pronouncement***

In October 2012, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2012-05, "Statement of Cash Flows: Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows." ASU 2012-05 requires a not-for-profit to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any not-for-profit imposed restrictions for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those securities would be classified as cash flows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts would be classified as cash flows from financing activities. Otherwise, receipts from the sale of donated securities would be classified as cash flows from investing activities by the not-for-profit. The amendments are to be applied prospectively and are effective for fiscal years beginning after June 15, 2013. Management is currently evaluating the effect that the provisions of ASU 2012-05 will have on the financial statements.

#### ***Accounting Guidance Issued But Not Adopted as of June 30, 2013***

Effective July 1, 2013, the Organization will adopt the amended guidance in ASC 210, Balance Sheet. The amended guidance addresses disclosure of offsetting financial assets and liabilities. It requires entities to add disclosures showing both gross and net information about instruments and transactions eligible for offset in the balance sheet and instruments and transactions subject to an agreement similar to a master netting arrangement. The updated disclosures will be implemented retrospectively and will not impact the Organization's financial position or results of operations.

# Casa de Amparo

## Notes to Financial Statements

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### ***Comparative Totals***

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2012 from which the summarized information was derived.

### ***Subsequent Events***

The Organization has evaluated subsequent events through November 8, 2013, which is the date the financial statements were available to be issued.

## **2. Concentration of Credit Risk**

### ***Cash***

The Organization maintains cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). On May 20, 2009, the Helping Families Save Their Homes Act temporarily increased FDIC deposit insurance limits from \$100,000 to \$250,000 until December 31, 2013. The SIPC is a non-profit membership corporation funded by its member securities broker-dealers. The SIPC is not a government agency or regulatory agency. The Organization's uninsured cash balance was \$2,378,866 at June 30, 2013 at top tier rated institutions.

### ***Revenue***

The Organization receives a significant portion of its revenue from government contracts. For the year ended June 30, 2013, the Organization received \$1,290,806, or 23% of its total revenue for its Foster Care Group Home and \$820,877, or 15% of its total revenue for its New Directions program. Contract revenue also includes \$127,816 received from private foundations for the year ended June 30, 2013.



**Casa de Amparo**  
**Notes to Financial Statements**

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**3. Pledges Receivable**

Pledges receivable consist of the following at June 30:

	2013	2012
Gross pledges receivable	\$ 484,635	\$ 770,071
Less imputed discount	(12,730)	(19,181)
	471,905	750,890
Less allowance for doubtful accounts	-	(21,000)
	\$ 471,905	\$ 729,890
Pledges receivable consist of the following:		
Due in less than one year	\$ 201,465	\$ 442,896
Due after one to five years	283,170	327,175
	\$ 484,635	\$ 770,071

The net present value for the pledges due in more than one year is discounted at the rate of .93% to 8%.

Pledges receivable of \$450,000 are due from four individuals at June 30, 2013. Pledge payments of \$272,187 were collected during the year ended June 30, 2013. The amounts due and the payments received are all in line with the original pledge agreements.

During the year ended June 30, 2010, the Organization received a conditional pledge for up to \$2,000,000. The pledging organization committed to match contributions designated to the Twin Oaks Building Campaign dollar for dollar not to exceed \$400,000 per year for five years. The Organization has earned and received \$2,000,000 of matching contributions from the pledging organization as of June 30, 2013.

**4. Assets Held By Others**

The Organization's investments consist of endowment funds held by the San Diego Foundation and the Jewish Community Foundation. Both foundations manage a balanced pool portfolio. San Diego Foundation has variance power over the funds. A portion of these funds are considered permanently or temporarily restricted.

The San Diego Foundation's endowment funds are invested in a diversified portfolio which invests 50% in domestic and international equities, 19% in fixed income, 11% in real estate, and 20% in alternative funds. The San Diego Foundation's distribution allocation policy is to disburse 5% annually, based upon endowment principal market value over the last 36 months. These calculations are made on a monthly basis. If the market value of the endowment principal of any fund, at the end of each month, is less than the initial value of all the contributions made to endowment principal, then distributions will be limited to interest and dividends received.

# Casa de Amparo

## Notes to Financial Statements

The Jewish Community Foundation's endowment funds are invested in an endowment pool which invests 49.6% in domestic and international equities, 10.2% in fixed income, 10.2% in real assets, 29.4% in multi-strategy funds and 0.6% in cash and cash equivalents.

The pooled investments are categorized as level 3 because they have no direct observable inputs.

The following table presents the fair value measurement hierarchy and the balanced pool asset allocation at June 30, 2013:

Assets	Level 1	Level 2	Level 3	Total Fair Value
Endowment Investment Pool - San Diego Foundation	\$ -	\$ -	\$ 187,084	\$ 187,084
Endowment Investment Pool - Jewish Community Foundation	-	-	149,798	149,798
	\$ -	\$ -	\$ 336,882	\$ 336,882

Changes in the fair value of level 3 investments from the balanced pool assets for the year ended June 30, 2013 are as follows:

	San Diego Foundation	Jewish Community Foundation	Total
Fair value, beginning of year	\$ 171,312	\$ 62,720	\$ 234,032
Contributions	-	82,120	82,120
Change in Value	15,772	4,958	20,730
Fair value, ending of year	\$ 187,084	\$ 149,798	\$ 336,882

The Organization's policy is to disburse funds available in accordance with donor restrictions to meet the current program needs of Casa de Amparo.

## 5. Property and Equipment

Property and equipment consist of the following at June 30:

	2013	2012
Land	\$ 916,587	\$ 916,587
Buildings	13,628,685	13,534,632
Furniture and equipment	155,803	155,803
Vehicles	112,285	112,285
	14,813,360	14,719,307
Less accumulated depreciation	(836,988)	(448,222)
	\$ 13,976,372	\$ 14,271,085

## Casa de Amparo

### Notes to Financial Statements

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Depreciation and amortization expense related to property and equipment was \$388,766 and \$131,836 for the years ended June 30, 2013 and 2012, respectively.

In 1998 the Organization began a strategic capital campaign to establish permanent facilities for existing and future child abuse prevention and treatment programs and the development of technology infrastructure that is crucial to effective and well-monitored service delivery. Phase I concluded the construction of the \$1,559,789 Casa de Amparo Child Development and Family Services Center located in Oceanside, California. The site currently houses three programs.

In March 2009, a major use permit was approved by the County Board of Supervisors to build a second campus in Twin Oaks Valley. In fiscal year 2012, the organization completed the construction of the approximately \$12 million Casa Kids Campus which was occupied beginning April 2012. The site houses Residential Services as well as the administrative offices.

#### **6. Loan Payable**

During fiscal year 2012 the Organization was in the final development of its Casa Kids' Campus located in San Marcos. In the event that it did not raise all of the necessary charitable contributions via its Capital Campaign to pay for all of the construction costs, the Organization secured a commitment letter, up to the amount of \$5,500,000, bearing interest, at 5%, from Wells Fargo to obtain a construction loan for the remaining dollars needed to complete the Casa Kids' Campus Construction in fiscal year 2012. During fiscal year 2013, permanent financing of the Casa Kids Campus was secured in the form of a loan, combined with an interest rate swap, entered into with Wells Fargo Bank effective August 1, 2012. The loan totaled \$3,524,631 with 30% of the amount being at a variable rate of LIBOR plus 2.5 percentage points and the remaining 70% at a fixed rate of 3.51%. The loan is for a period of five years. The swap is used to fix the variable rate loan amount at an interest rate of 3.51%. The notional amount of the swap is \$2,467,242 and the general terms are to receive the LIBOR floating amount and pay fixed interest. The Organization is accounting for the derivative contract according to ASC 815 which requires a derivative contract to be recorded as an asset or liability on the balance sheet at its fair value. Gains or losses will be recorded currently in earnings. The outstanding balance as of June 30, 2013 was \$2,396,862. The swap has a fair value at June 30, 2013 of \$12,193. Principle payments on the loan for the first two months of fiscal year 2013-2014 are \$10,054 and for the remaining ten months are \$10,438 per month.

#### **7. Note Payable**

The Organization has a loan agreement that was executed on July 12, 2006 with the City of Oceanside that was used to finance costs of the child development and family services center in Ivey Ranch. The note matures July 11, 2016. Principal and annual accrued interest of 5% is due at maturity. The loan and accrued interest will be forgiven at the end of 10 years if the Organization complies with all restrictions and encumbrances as noted in the loan agreement. The note is secured by the Organization's assets. The outstanding balance was \$45,606 as of June 30, 2013.

# Casa de Amparo

## Notes to Financial Statements

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The aggregate principal payments due under the loan and note payables are as follows:

<i>Years ending</i>		
2014	\$	124,488
2015		129,236
2016		134,172
2017		2,862,787
Thereafter		45,606
	\$	3,296,289

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### 8. Contingencies and Commitments

#### *Government Contracts*

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

#### *Operating Leases*

The Organization leased program facilities and administrative offices under non-cancelable operating leases which expire at various dates through December 2013. The Organization also leases office equipment under an operating lease which expires April 2017. Total rent expense was \$150,821 and \$289,536 for the years ended June 30, 2013 and 2012, respectively.

Future minimum lease payments under operating leases are due as follows:

<i>Years ending June 30,</i>		
2014	\$	31,817
2015		6,778
2016		6,778
2017		6,778
2018		-
	\$	52,151

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The Organization leases real property from the City of Oceanside located at Ivey Ranch Park. The Organization constructed a facility on the Ivey Ranch property that is used for a child development center. The lease commenced in 2007 with a term of 35 years and an option to extend an additional 25 years. Rent is free as long as the facility is used exclusively to provide child development, care, education, family visitation and counseling services. The unamortized fair value of the free rent is reported as land lease in the statements of financial position. Amortization of the free use of land was \$53,193 and \$53,193 for the years ended June 30, 2013 and 2012, respectively.

**Casa de Amparo**  
**Notes to Financial Statements**

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**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets were available for the following purposes as of June 30:

	2013	2012
Land Lease - Ivey Ranch	\$ 1,391,889	\$ 1,445,082
Permanently Restricted Investment Earnings	29,980	22,698
	<b>\$ 1,421,869</b>	<b>\$ 1,467,780</b>

Net assets in the amounts of \$636,917 and \$5,345,924 were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors for the years ended June 30, 2013 and 2012, respectively.

**10. Permanently Restricted Net Assets**

Permanently restricted net assets were made up of the initial principal of two endowments held at the San Diego Foundation as follows as of June 30:

	2013	2012
Teppler Endowment	\$ 12,738	\$ 12,738
Satler Endowment	50,000	50,000
	<b>\$ 62,738</b>	<b>\$ 62,738</b>

The purpose of the permanently restricted net assets is to support the general mission of the Organization.

**11. Endowment Investments**

Authoritative guidance requires the Organization to classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets. Specifically, the portion classified as permanently restricted shall be (a) the amount of the fund that must be retained permanently per explicit donor stipulations or (b) in the absence of such stipulations, the amount which the Organization board determines must be retained (preserved) permanently consistent with the *Uniform Prudent Management of Institutional Funds Act* ("UPMIFA").

In accordance with authoritative guidance, the amount that is classified as permanently restricted net assets is not reduced by losses on investments of the fund or by the Organization's appropriations from the fund unless required by the donor. Furthermore, the portion of the fund that is not classified as permanently restricted net assets must be classified as temporarily restricted net assets until appropriated for expenditure by the Organization. Such appropriation is deemed to occur upon the Organization's governing board's approval of expenditures in the current period. Once the appropriation for expenditure has occurred, the appropriated amount is reclassified to unrestricted net assets.



# Casa de Amparo

## Notes to Financial Statements

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UPMIFA states that, absent explicit donor instructions to the contrary, assets in an endowment fund are donor-restricted assets until appropriated by the Organization. The Organization interprets this to mean that all earnings on a donor-restricted endowment gift are restricted assets. As such, per authoritative guidance, such earnings are classified as temporarily restricted net assets (time restricted) until appropriated by the Organization.

UPMIFA became effective in California for endowment funds existing on or established after January 1, 2009. The law defines an endowment fund to mean an institutional fund (excluding assets that an institution designate as an endowment fund for its own use) that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. The law establishes various factors for the Organization to consider in its determination as to whether to appropriate or accumulate the endowment fund.

Absent explicit donor instructions to the contrary, the Organization interprets UPMIFA to have eliminated the historic dollar value limitation when considering endowment spending, instead providing guidelines for such spending (referred to as "appropriation" in UPMIFA). In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policy of the Organization

The Organization currently spends only the interest and dividends earned on permanently restricted endowment funds. Due to the relatively small size of its endowment, the Organization has not enacted a policy of spending principal or principal appreciation of the funds. The Organization has invested the funds for total return and is limiting spending to interest and dividends to enhance the growth of the funds. The Organization believes it is beneficial to defer endowment spending to more rapidly increase the endowment to a size that will have a meaningful impact in stabilizing the revenues of the Organization.

The Organization considers the value of the endowment gift to be considered for appropriation under UPMIFA to be equal to the sum of the original gift (and any subsequent donations) plus accumulated investment earnings, less accumulated investment losses and appropriations for expenditure by the Organization at any point in time. Thus, pursuant to this interpretation of UPMIFA, the total value of the Organization's donor-restricted endowment funds was \$62,738 at June 30, 2013 and 2012, respectively.

Although the Organization believes that the historic dollar value is not required by UPMIFA in the determination of the endowment spending, the Organization's governing board believes that, absent explicit donor instructions to the contrary, it is appropriate for the Organization to permanently retain the historic dollar value of the donor-restricted endowment gifts as permanently restricted net assets.

# Casa de Amparo

## Notes to Financial Statements

Endowment and board-designated endowment funds are invested with a strong equity bias towards significant diversification across investments with fundamentally different risk characteristics. In general, assets are invested in funds that provide liquidity and diversification of security specific risk at reasonable cost. The funds are invested with a long-term horizon without attempting to time market movements. Allocations to asset classes are maintained in accordance with the long-term policy targets and ranges approved by the Operations Committee and the Board of Directors.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated	\$ 247,848	\$ -	\$ -	\$ 247,848
Donor-restricted	-	26,296	62,738	89,034
<b>Total Funds</b>	<b>\$ 247,848</b>	<b>\$ 26,296</b>	<b>\$ 62,738</b>	<b>\$ 336,882</b>

The following reflects the changes in invested endowment assets for the year ended June 30:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, June 30, 2011	\$ 155,154	\$ 19,924	\$ 62,738	\$ 237,816
Investment return:				
Net depreciation (realized and unrealized)	(2,874)	(910)	-	(3,784)
Total Investment return	(2,874)	(910)	-	(3,784)
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment assets, June 30, 2012	\$ 152,280	\$ 19,014	\$ 62,738	\$ 234,032
Investment return:	13,448	7,282	-	20,730
Net depreciation (realized and unrealized)	-	-	-	-
Total Investment return	13,448	7,282	-	20,730
Board designated additions	82,120	-	-	82,120
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment assets, June 30, 2013	\$ 247,848	\$ 26,296	\$ 62,738	\$ 336,882

## 12. Pension Plan

The Organization sponsors a non-contributory 403(b) retirement plan covering all employees who have completed 90 days of eligible service. Contributions to the retirement plan are at the discretion of each employee. There were no contributions by the organization for the years ended June 30, 2013 and 2012, respectively.



## Supplemental Information

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## Casa de Amparo

### Schedule of Expenditures of Federal, State and Other Awards

Federal/Pass-Through Grantor and Program Title	Federal CFDA Number	Agency or Pass- Through Grantor No.	Expenditures
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Health and Human Services</b>			
Pass-through County of San Diego Health and Human Services:			
Foster Care Title IV-E	93.658	n/a	318,465
Promoting Safe and Stable Families – Family Visitation Program	93.556	517344	101,738
Enhance Safety of Children Affected by Substance Abuse - Family Visitation Program	93.087	517344	13,449
Stephanie Tubbs Jones Welfare Services Program - Family Visitation Program	93.645	517344	38,842
<b>Total Pass-through County of San Diego Health and Human Services</b>			<b>472,494</b>
Pass-through Metropolitan Area Advisory Committee:			
Head Start	93.600	09CH0028	27,192
<b>Total U.S. Department of Health and Human Services</b>			<b>499,686</b>
<b>U.S. Department of Housing and Urban Development</b>			
CDBG Entitlement Grants Cluster			
Pass-through City of Vista CDBG:			
Community Development Block Grants/ Entitlement Grants	14.218	n/a	5,000
Pass-through City of Carlsbad CDBG:			
Community Development Block Grants/ Entitlement Grants	14.218	n/a	5,000
<b>Subtotal CFDA - #14.218</b>			<b>10,000</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>10,000</b>
<b>U.S. Department of Agriculture</b>			
Pass-through California Department of Education			
Child and Adult Care Food Program	10.558	n/a	22,839
Child Nutrition Cluster			
National School Lunch Program	10.555	n/a	5,164
School Breakfast Program	10.553	n/a	4,602
<b>Subtotal Child Nutrition Cluster</b>			<b>9,766</b>
<b>Total U.S Department of Agriculture</b>			<b>32,605</b>
<b>Total Expenditures of Federal Awards</b>			<b>542,291</b>

*See independent auditor's report and note to schedule of expenditures of federal, state and other awards.*

# Casa de Amparo

## Schedule of Expenditures of Federal, State and Other Awards

### STATE AWARDS

<b>California Department of Education</b>				
General Child Care and Development Program	n/a	CCTR2225	\$	65,794
California State Preschool Program	n/a	CSPP2434		81,238
<b>Total California Department of Education</b>				<b>147,032</b>
<b>California Department of Social Services</b>				
Foster Care Group Home	n/a	n/a		422,567
Transitional Housing Program Plus	n/a	524015		805,863
Transitional Youth Housing	n/a	544529		15,014
<b>Total California Department of Social Services</b>				<b>1,243,444</b>
<b>California Department of Health and Human Services</b>				
Early and Periodic Screening, Diagnosis, and Treatment	n/a	44796		156,286
<b>California Department of Child Welfare Services</b>				
Family Visitation Program	n/a	541538		197,807
<b>California State Children's Trust Fund</b>				
Family Visitation Program	n/a	541538		18,071
<b>Total Other State Awards</b>				<b>372,164</b>
<b>Total Expenditures of State Awards</b>			<b>\$</b>	<b>1,762,640</b>
<b>OTHER AWARDS - County and Local</b>				
County - Foster Care Group Home		n/a		549,774
County and Other - Early and Periodic Screening, Diagnosis, and Treatment		44796		200,714
<b>Total Expenditures of Other Awards - County and Local</b>				<b>750,488</b>
<b>Total Expenditures of Federal, State and Other Awards</b>			<b>\$</b>	<b>3,055,419</b>

*See independent auditor's report and note to schedule of expenditures of federal, state and other awards.*

## Casa de Amparo

### Note to Schedule of Expenditures of Federal, State and Other Awards

---

#### ***Note 1 - Basis of Presentation***

The accompanying schedule of expenditures of federal, state and other awards includes the federal grant activity of Casa De Amparo 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The accompanying schedule of expenditures of federal, state and other awards includes non-federal grants. The non-federal grant awards were presented in accordance with the California Department of Education Audit Guide.



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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

To the Board of Directors  
**Casa de Amparo**  
San Marcos, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Casa De Amparo (the "Organization"), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Casa De Amparo's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Casa De Amparo's internal control. Accordingly, we do not express an opinion on the effectiveness of Organization'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 organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Casa De Amparo's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs for the Department of Education as items 2013-01.

### Casa De Amparo's Response to Findings

Casa De Amparo's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs for the Department of Education. Casa De Amparo's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### 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 result 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.

BDO USA, LLP

San Diego, California  
November 8, 2013

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**Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

To the Board of Directors  
Casa de Amparo  
San Marcos, California

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

We have audited Casa de Amparo's (the "Organization") 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 Casa de Amparo's major federal programs for the year ended June 30, 2013. Casa de Amparo'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 each of its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Casa de Amparo'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 Casa de Amparo'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 Casa de Amparo's compliance.

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

In our opinion, Casa de Amparo complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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## Report on Internal Control Over Compliance

Management of Casa de Amparo 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 Casa de Amparo's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Casa de Amparo'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.

*BDO USA, LLP*

San Diego, California  
November 8, 2013

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# Casa de Amparo

## Schedule of Findings and Questioned Costs for Federal Awards

Year ended June 30, 2013

### Section I - Summary of Auditor's Results

#### Financial Statements:

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

#### Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

#### Identification of Major Programs:

U.S. Department of Health and Human Services:	
Pass-through, State of California Department of Human Services:	
Foster Care - Title IV-E	93,658
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	Yes

### Section II - Financial Statements Findings

There are no findings required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

### Section III - Federal Award Findings and Questioned Costs

There are no findings nor questioned costs for Federal awards as defined in OMB Circular A-133.

### Section IV - Summary Schedule of Prior Year Findings

There were no findings or questioned costs for federal awards (as defined in section .510(a) of the Circular) that were required to be reported for the prior year.

## **Supplementary Child Development Services Information**



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**Independent Auditor's Report on the  
Supplementary Child Development Services Information**

To the Board of Directors  
**Casa de Amparo**  
San Marcos, California

Our audit of the basic financial statements included in the preceding section of this report was performed for the purpose of forming an opinion on those statements taken as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis, and the information appearing on pages 35-50 is presented to highlight certain information in the basic financial statements; they are not a required part of those 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements taken as a whole.

*BDO USA, LLP*

San Diego, California  
November 8, 2013

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# Casa de Amparo

## Supplementary Child Development Services Information

### General Information

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Full official name of agency:	Casa de Amparo
Program type:	Child development program
Project number:	37-B254-00
Type of agency:	Nonprofit corporation
Address of agency headquarters:	325 Buena Creek Rd San Marcos, CA 92069

<u>Program Name</u>	<u>Contract Number</u>	<u>Project Number</u>
California State Preschool Program and General Child Care & Development Program	CSPP2434, CCTR2225	37 - B254-00-9

Name and address of Executive Director:	Tamara Fleck-Myers 325 Buena Creek Road San Marcos, CA 92069
Name and address of Controller:	Elizabeth Porter 325 Buena Creek Road San Marcos, CA 92069
Telephone number:	(760) 754-5500
Period covered by examination:	July 1, 2012 to June 30, 2013
Number of days of operation of agency:	246
Scheduled hours of operation each day:	Monday through Friday: 7:00 am to 6:00 pm



# Casa de Amparo

## Supplementary Child Development Services Information Combining Statement of Financial Position

<i>June 30, 2013</i>	California Department of Education	Other Programs	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ -	\$ 2,576,982	\$ 2,576,982
Restricted cash	-	303,633	303,633
Accounts receivable	11,099	459,006	470,105
Pledges receivable, net	-	201,465	201,465
Prepaid expenses and other current assets	-	59,918	59,918
Total current assets	11,099	3,601,004	3,612,103
Property and equipment, net of accumulated depreciation	-	13,976,372	13,976,372
<b>Other assets</b>			
Pledges receivable, net	-	270,440	270,440
Land lease	-	1,391,889	1,391,889
Deposits	-	9,460	9,460
Assets held by others	-	336,882	336,882
Total other assets	-	2,008,671	2,008,671
<b>Total assets</b>	<b>\$ 11,099</b>	<b>\$ 19,586,047</b>	<b>\$ 19,597,146</b>
<b>Liabilities and Net assets</b>			
<b>Current liabilities</b>			
Accounts payable	\$ -	\$ 70,807	\$ 70,807
Accrued compensation and other expenses	-	302,760	302,760
Contract overpayments	-	6,351	6,351
Deferred revenue	-	160,550	160,550
Current portion of loan Payable	-	124,488	124,488
Total current liabilities	-	664,956	664,956
Fair value of interest rate swap contract	-	12,193	12,193
Loan Payable, net current portion	-	3,114,002	3,114,002
Note payable	-	45,606	45,606
Total other liabilities	-	3,171,801	3,171,801
Total liabilities	-	3,836,757	3,836,757
<b>Net assets</b>			
Unrestricted	11,099	14,264,683	14,275,782
Temporarily restricted	-	1,421,869	1,421,869
Permanently restricted	-	62,738	62,738
Total net assets	11,099	15,749,290	15,760,389
<b>Total liabilities and net assets</b>	<b>\$ 11,099</b>	<b>\$ 19,586,047</b>	<b>\$ 19,597,146</b>



## Casa de Amparo

### Supplementary Child Development Services Information Combining Statement of Activities

<i>Year ended June 30, 2013</i>	California Department of Education	Other Programs	Total
<b>Revenue and support</b>			
Contract revenue	\$ 240,969	3,161,832	\$ 3,402,801
Contributions	36,280	1,071,495	1,107,775
Special events and related contributions	-	714,358	714,358
In-kind donations	11,019	196,201	207,220
Interest and other income	438	117,479	117,917
Net assets released from restrictions, satisfaction of program restrictions	200,666	(200,666)	-
<b>Total revenue and support</b>	<b>489,372</b>	<b>5,060,699</b>	<b>5,550,071</b>
<b>Expenses</b>			
Salaries	271,797	2,502,154	2,773,951
Employee benefits	60,905	514,584	575,489
Supplies	10,749	80,576	91,325
Telephone and postage	967	26,062	27,029
Occupancy	27,900	303,136	331,036
Transportation	997	102,236	103,233
Training, meetings, other	925	30,104	31,029
Administrative overhead	29,476	310,885	340,361
Other services and operating expenses	8,041	184,673	192,714
Equipment expense	3,792	77,104	80,896
Depreciation and amortization	62,804	379,155	441,959
Interest expense	-	102,490	102,490
In-kind and special events	11,019	435,653	446,672
<b>Total expenses</b>	<b>489,372</b>	<b>5,048,812</b>	<b>5,538,184</b>
<b>Increase in net assets</b>	<b>\$ -</b>	<b>\$ 11,887</b>	<b>\$ 11,887</b>

## Casa de Amparo

### Supplementary Child Development Services Information Child Development Expenses by Program

<i>Year ended June 30, 2013</i>	California State Preschool Program and General Child Care & Development Program	Total CDE Contracts	Other Expenses	Total
Salaries	\$ 271,797	\$ 271,797	\$ 2,502,154	\$ 2,773,951
Employee benefits	60,905	60,905	514,584	575,489
Total salaries and related expenses	332,702	332,702	3,016,738	3,349,440
Supplies	10,749	10,749	80,576	91,325
Telephone and Postage	967	967	26,062	27,029
Occupancy	27,900	27,900	303,136	331,036
Transportation	997	997	102,236	103,233
Training, Meetings, Other	925	925	30,104	31,029
Administrative overhead	29,476	29,476	310,885	340,361
Other services and operating expenses	8,041	8,041	184,673	192,714
Equipment Expense	3,792	3,792	77,104	80,896
Depreciation and amortization	62,804	62,804	379,155	441,959
Interest expense	-	-	102,490	102,490
In-kind and special events	11,019	11,019	435,653	446,672
Total expenses	\$ 489,372	\$ 489,372	\$ 5,048,812	\$ 5,538,184

## Casa de Amparo

### Supplementary Child Development Services Information Reconciliation of Schedule of Expenditures by State Categories to Expenses Recorded in the Statement of Activities

<i>Year ended June 30, 2013</i>	California State Preschool Program and General Child Care & Development Program	Total Child Development Grants
Total Reimbursable Expenditures	\$ 415,311	\$ 415,311
Adjustments to reconcile total expenses charged to grants to expenses recorded in the statement of activities:	-	-
Various expenses related to personnel activities not charged to grants, but expensed in the financial statements	238	238
In-kind expenses and special events not charged to grants, but expensed in the financial statements	11,019	11,019
Depreciation of childcare center not charged to grants, but expensed in the financial statements	36,207	36,207
Amortization of free use of land not charged to grants, but expensed in the financial statements	26,597	26,597
Total youth program expenses in the statement of activities	\$ 489,372	\$ 489,372

## Casa de Amparo

### Supplementary Child Development Services Information

Project No: 37-B254-00-9

Contract No: CSPP2434 and CCTR2225

California State Preschool Program and General Child Care & Development Program

### Schedule of Expenditures by State Categories

<i>Year ended June 30, 2013</i>		Reimbursable	Non-Reimbursable
1000	Certificated Salaries	\$ 164,512	\$ -
2000	Classified Salaries	107,285	-
3000	Employee Benefits	60,905	-
4000	Books and Supplies	8,149	-
5000	Services and Other Operating Expenses	44,984	238
6400	New equipment	-	-
	Depreciation	-	36,207
	Indirect Cost Rate Percentage 8%	29,476	-
	Amortization of free use of land	-	26,597
	In-kind expenses	-	11,019
Total expenditures		\$ 415,311	\$ 74,061

We have examined the claims filed for reimbursement and the original supporting records covering the transactions under these contracts to an extent considered necessary to assure ourselves that the amounts claimed by the agency were proper.

We have examined the payments the agency paid to providers and found that they were proper.

## Casa de Amparo

Project No: 37-B254-00-9

Contract No: CSPP2434 and CCTR2225

### California State Preschool Program and General Child Care & Development Program Schedule of Administrative Costs

---

<i>Year ended June 30,</i>		2013
Salaries, benefits and overhead	\$	29,476
Total	\$	29,476

---

## Casa de Amparo

Project No: 37-B254-00-9

Contract No: CSPP2434 and CCTR2225

California State Preschool Program and General Child Care & Development Program

Schedule of Equipment Expenditures Utilizing Contract Funds

Year Ended June 30, 2013

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Expenditures Under \$7,500 Unit Cost		Expenditures Over \$7,500 Unit Cost with CDD Approval		Expenditures Over \$7,500 Unit Cost Without CDD Approval	
Cost	Item	Cost	Item	Cost	Item
None		None		None	



## **Casa de Amparo**

**Project No: 37-B254-00-9**

**Contract No: CSPP2434 and CCTR2225**

**California State Preschool Program and General Child Care & Development Program  
Schedule of Repair and Renovation Expenditures**

---

No repair or renovation expenditures were incurred in the fiscal year ended June 30, 2013.

# AUDITED ATTENDANCE AND FISCAL REPORT

## for California State Preschool Programs

Agency Name: Casa de Amparo Vendor No. B254Fiscal Year Ended: June 30, 2013 Contract No. CSPP2434Independent Auditor's Name: BDO USA, LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.1800	-
Full-time	797		797	1.0000	797.000
Three-quarters-time	397		397	0.7500	297.750
One-half-time	220		220	0.6172	135.784
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	42		42	1.2000	50.400
Three-quarters-time	169		169	0.9000	152.100
One-half-time	24		24	0.6172	14.813
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.2980	-
Full-time	203		203	1.1000	223.300
Three-quarters-time	-		-	0.8250	-
One-half-time	24		24	0.6172	14.813
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	511		511	1.1000	562.100
Three-quarters-time	102		102	0.8250	84.150
One-half-time	-		-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6172	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>2,489</b>	<b>-</b>	<b>2,489</b>		<b>2,332.210</b>
<b>DAYS OF OPERATION</b>	<b>246</b>	<b>-</b>	<b>246</b>		
<b>DAYS OF ATTENDANCE</b>	<b>2,489</b>	<b>-</b>	<b>2,489</b>		

☐ NO NONCERTIFIED CHILDREN - Check this box, omit page 2, and continue to Section III if no noncertified children were enrolled in the program

Comments - If necessary, attach additional sheets to explain adjustments:

See schedule of findings and recommendations. Revenue and expenses are combined with Contract No. CCTR2225 on pages 47-48.

## AUDITED ATTENDANCE AND FISCAL REPORT for California State Preschool Programs

Agency Name: Casa de Amparo Vendor No. B254

Fiscal Year Ended: June 30, 2013 Contract No. CSPP2434

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children.	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<b>DAYS OF ENROLLMENT</b>					
<i>Three and Four Year Olds</i>					
Full-time-plus	-		-	1.1800	-
Full-time	2,414		2,414	1.0000	2,414.000
Three-quarters-time	-		-	0.7500	-
One-half-time	-		-	0.6172	-
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.4160	-
Full-time	-		-	1.2000	-
Three-quarters-time	-		-	0.9000	-
One-half-time	-		-	0.6172	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.2980	-
Full-time	-		-	1.1000	-
Three-quarters-time	-		-	0.8250	-
One-half-time	-		-	0.6172	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.7700	-
Full-time	-		-	1.5000	-
Three-quarters-time	-		-	1.1250	-
One-half-time	-		-	0.6172	-
<b>TOTAL DAYS OF ENROLLMENT</b>	2,414	-	2,414		2,414.000

Comments - If necessary, attach additional sheets to explain adjustments:

See schedule of findings and recommendations. Revenue and expenses are combined with Contract No. CCT2225 on pages 47-48.

**AUDITED ATTENDANCE AND FISCAL REPORT****for Child Development Programs**Agency Name: Casa de AmparoVendor No. B254Fiscal Year Ended: June 30, 2013Contract No. CCTR2225Independent Auditor's Name: BDO USA, LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-		-	2.006	-
Full-time	-		-	1.700	-
Three-quarters-time	-		-	1.275	-
One-half-time	-		-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-		-	1.652	-
Full-time	-		-	1.400	-
Three-quarters-time	-		-	1.050	-
One-half-time	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-		-	1.652	-
Full-time	1,187		1,187	1.400	1,661.800
Three-quarters-time	237		237	1.050	248.850
On-half-time	4		4	0.770	3.080
<i>Three Years and Older</i>					
Full-time-plus	-		-	1.180	-
Full-time	-		-	1.000	-
Three-quarters-time	-		-	0.750	-
One-half-time	-		-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus	-		-	1.416	-
Full-time	-		-	1.200	-
Three-quarters-time	-		-	0.900	-
One-half-time	-		-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-		-	1.298	-
Full-time	-		-	1.100	-
Three-quarters-time	-		-	0.825	-
One-half-time	-		-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-		-	1.770	-
Full-time	-		-	1.500	-
Three-quarters-time	-		-	1.125	-
One-half-time	-		-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	1,428	-	1,428		1,913.730
<b>DAYS OF OPERATION</b>	246	-	246		
<b>DAYS OF ATTENDANCE</b>	1,428	-	1,428		

☒ NO NONCERTIFIED CHILDREN - Check this box, omit page 2, and continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

See schedule of findings and recommendations.



### AUDITED ATTENDANCE AND FISCAL REPORT for Child Development Programs

Agency Name: Casa de Amparo Vendor No. B254Fiscal Year End: June 30, 2013 Contract No. CCTR2225Insert Any Commingled Contract No. CSPP2434

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$22,840	(\$1)	\$22,839
County Maintenance of Effort (EC § 8279)			0
Uncashed Checks to Providers			0
Other (Specify):			0
<b>Subtotal</b>	\$22,840	(\$1)	\$22,839
Transfer from Reserve Contract #			0
Family Fees for Certified Children Contract # CSPP2434	80		80
Interest Earned on Apportionments Contract #			0
UNRESTRICTED INCOME			
Family Fees for Noncertified Children			0
Other (Specify): Headstart		27,192	27,192
<b>TOTAL REVENUE</b>	\$22,920	\$27,191	\$50,111

**SECTION IV - REIMBURSABLE EXPENSES**

Direct Payments to Providers (FCCH Only)	\$0	\$0	\$0
1000 Certificated Salaries	164,512		164,512
2000 Classified Salaries	107,286	(1)	107,285
3000 Employee Benefits	60,905		60,905
4000 Books and Supplies	8,149		8,149
5000 Services and Other Operating Expenses	44,984		44,984
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Replacement Equipment (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Budget Impasse Credit Contract #			0
Indirect Costs. Rate: 7.64% (Rate is Self-Calculating)	29,476		29,476
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	\$415,312	(\$1)	\$415,311
<b>TOTAL ADMINISTRATIVE COSTS</b> (included in section IV above)	\$20,632	\$8,844	\$29,476

FOR CDE-A&amp;I USE ONLY:

Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Child Development Division:

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

☒ YES

☐ NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

☒ YES

☐ NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

See schedule of findings and recommendations. Revenue and expenses above included Contract No. CSPP2434.

☐ NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 4 if there are no supplemental revenues or expenses to report.

### AUDITED ATTENDANCE AND FISCAL REPORT for Child Development Programs

Agency Name: Casa de Amparo Vendor No. B254

Fiscal Year End: June 30, 2013 Contract No. CCTR2225

Insert Any Commingled Contract Number CSPP2434

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION V - SUPPLEMENTAL REVENUE</b>			
Enhancement Funding	\$27,192	(\$27,192)	\$0
Other (Specify): Contributions, Other Revenue	91,562	1	91,563
			0
			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>\$118,754</b>	<b>(\$27,191)</b>	<b>\$91,563</b>

### SECTION VI - SUPPLEMENTAL EXPENSES

<b>EXPENSES RELATED TO SUPPLEMENTAL REVENUE</b>			
1000 Certificated Salaries	\$0	\$0	\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses	150	88	238
6000 Equipment/Other Capital Outlay			0
Depreciation or Use Allowance	62,803	1	62,804
Indirect Costs			0
Other (Specify):			0
<b>NONREIMBURSABLE EXPENSES</b>			
6100-6500 Nonreimbursable Capital Outlay			0
Other: e.g., Entertainment Expenses			0
Other (Specify): In-kind expenses	88	10,931	11,019
			0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>\$63,041</b>	<b>\$11,020</b>	<b>\$74,061</b>

COMMENTS - If necessary, attach additional sheets to explain adjustments:

See schedule of findings and recommendations. Revenue and expenses above included Contract No. CSPP2434.

**Casa de Amparo**  
**Schedule of Findings and Recommendations for the**  
**Child Development Services**

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**Financial Reporting Findings**

None noted

**Compliance**  
**Child Development Programs Findings**

**2013-01 A required Notice of Action was not contained in the Family Data File**

Information on Federal and/or State Program(s) - Child Development Programs  
CSPP2434 and CCTR2225

Criteria - Child Care & Development Funding Terms and Conditions the contractor shall complete a Notice of Action, Recipient of Services when changes are made to the service agreement. Such changes may include, but are not limited to, an increase or decrease in parent fees, an increase or decrease in the amount of services, or termination of services. The Notices of Action ("NOA") forms are to be retained in the Family Data File for each participant.

Condition - During our testing of reporting, we noted the following exceptions:

- One of the five children tested in the eligibility testing did not have a Notice of Action for his termination of services within his Family Data File.

Questioned Costs - None

Context - This is a condition identified per review of the Organization's compliance with specified requirements.

Effect - The Organization was not in compliance with the Funding Terms and Conditions of the contracts.

Cause - The CD Form 7617, Notices of Action was not completed and/or retained in the family data file.

Recommendation - We recommend that the Organization develop policies and procedures to ensure all required forms are maintained within each child's family data file.

Views of Responsible Officials and Planned Corrective Actions - The Manager of the Child Development Center, who was employed at the time the missing NOA was due, is no longer with Casa de Amparo. The current Child Development Center Manager has gone through all family data files for current participants to ensure they are complete. A Child Development Center checklist is prepared by the Child Development Center manager for each file to verify all required documents, including NOAs, are maintained. An administrative Quality Assurance Plan and a site specific Child Development Center Quality Assurance Plan are in place and address Child Development Center chart audits. The Child Development Center Manager and the Director of Community Programs have been trained on and are responsible for the implementation of the Child Development Center Quality Assurance Plan, including chart audits.



**Casa de Amparo**  
**Schedule of Findings and Recommendations for the**  
**Child Development Services**

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**Status of Prior Year Findings and Recommendations**

There were no prior year findings for Child Development Programs as defined in the California Department of Education Guide.



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

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

<b>Project Name:</b> Informational Materials <b>Date Submitted:</b> May 29, 2014	<b>Total # of people served:</b> 7000 <b>Total # of San Marcos residents served:</b> 500	<b>Amount Requested:</b> \$ 1,500
<b>Non-Profit Organization Name and Address, Website</b> Alzheimer's Association, San Diego/Imperial Chapter 6632 Convoy Court, San Diego 92111 <a href="http://www.alz.org/sandiego">www.alz.org/sandiego</a>		<b>Contact Person – Name, Title &amp; Phone, email</b> Caroline Harwood, Director of Development & Donor Engagement Ph: 858 966 3307 / Email: <a href="mailto:charwood@alz.org">charwood@alz.org</a>
<p><u>Briefly describe your request for funds (to be expanded upon in narrative for regular grant):</u></p> <p>The Alzheimer's Association provides cost-free, comprehensive education and supportive connections for people with Alzheimer's and their caregiving families. Through our unique 24/7 Helpline, families affected by Alzheimer's can receive immediate support and compassion and be connected with ongoing resources to address their specific needs through programs such as support groups, education, Take Charge, CLUB, Walk 'n' Talk, and Memories in the Making®, as appropriate. Callers to our Helpline and participants in our programs receive informational brochures and materials providing vital information about the disease and available resources. The current cost of our basic packet including postage is \$5.08. A grant of \$1,500 would allow us to provide approximately 300 such packets to families in need.</p> <p><u>Briefly describe the significance of your request to the San Marcos community:</u></p> <p>One in eight people over the age of 65 has Alzheimer's disease. Based on SANDAG data, we estimate that approximately 1,300 San Marcos residents have Alzheimer's disease. Each person diagnosed has an average of 2-3 people providing care and support, meaning that as many as 5,000 San Marcos residents are impacted by this disease. Following a diagnosis of Alzheimer's, families are desperately in need of accurate information and ongoing support to face the challenges that the diagnosis brings over the long-term. The Alzheimer's Association provides a lifeline to these families, offering expertise and support throughout the disease journey. Our all-encompassing approach is unique in that these comprehensive services provide education, support, and social connections for both the person with dementia AND their caregivers.</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> July 1, 2014</p> <p><b>Date by which funds will be expended:</b> Dec. 31, 2014</p> <p><b>Signature of President or Authorized Officer</b></p> <div style="text-align: center; margin-top: 20px;"><div style="display: flex; justify-content: space-between; width: 100%;"><div style="text-align: center;">Name, Title</div><div style="text-align: center;">Date</div></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**  
**Alzheimer's Association Mini-Grant Request May 2014**

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

Materials / packets 300 at \$3.26	\$978.00
Postage 300 at \$1.82	\$546.00
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$

**Total budget for this PROJECT:** \$ 1,524

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

Is this a challenge grant?      No                              Could it be?

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

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

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

**Alzheimer's Disease and Related Disorders Association**

**San Diego/Imperial Chapter, Inc.**

**Fiscal Year 2014 Budget**

**EXPENDITURES**

Personnel	\$823,913
Professional Fees and Service	\$268,180
Supplies, Telecommunications, Postage	\$79,044
Occupancy and Insurance	\$227,998
Printing, Promotions, Publications	\$111,046
Conferences, Conventions and Events	\$169,385
Other Expenses	\$56,651
<b>Total Expenditures</b>	<b>\$ 1,736,216</b>



**February 10, 2014**

**Mary Ball**  
Alzheimer's Disease and Related Disorders Assoc.  
San Diego/Imperial Chapter  
6632 Convoy Court, Shiley Center for Education and Support  
San Diego, CA 92111

Dear Mary Ball,

I am writing to confirm that the San Diego/Imperial Chapter EIN 95-3565388 is in Good Standing with the National Organization and is covered by a group exemption issued by the Internal Revenue Service to the Alzheimer's Disease and Related Disorders Association Inc. - Alzheimer's Association.

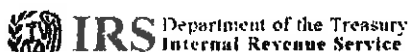
Attached is a copy of the Internal Revenue Services' affirmation letter of the Association's exempt status, dated February 4, 2014. The third paragraph contains the language about the exemption of all of the Association's chapters. It reads, "...we recognized the subordinates named on the list you submitted as exempt from Federal income tax under section 501(c)(3) of the Code." Every year we update the list of chapters covered by the group exemption, and the Chapter's name is contained on that list on file with the Internal Revenue Service.

I hope the contents of this letter meet your requirements. If you need anything else, please contact me.

Sincerely,

A handwritten signature in blue ink, reading "Michelle D. Helton".

**Michelle D. Helton, CPA**  
Vice President, Financial Operations  
Alzheimer's Association National Organization  
312-335-5183



CINCINNATI OH 45999-0038

In reply refer to: 0248222025  
Feb. 04, 2014 LTR 4167C 0  
13-3039601 000000 00

00020029  
BODC: TE

ALZHEIMERS DISEASE AND RELATED  
DISORDERS ASSOCIATION INC  
ALZHEIMERS ASSOC  
% RICHARD HOVLAND COO/CFD  
225 N MICHIGAN AVE STE 1700  
CHICAGO IL 60601-7652



005197

Employer Identification Number: 13-3039601  
Group Exemption Number: 9334  
Person to Contact: R CLEMONS  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Jan. 24, 2014, request for information about your tax-exempt status.

Our records indicate that you were issued a determination letter in June 1985, and that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on the information supplied, we recognized the subordinates named on the list you submitted as exempt from Federal income tax under section 501(c)(3) of the Code.

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

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

Sincerely yours,

Susan M. O'Neill, Department Mgr.  
Accounts Management Operations





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

## Entity Status Letter

Date: 6/3/2013

ESL ID: 3350013810

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

Entity ID: 1078068

Entity Name: ALZHEIMER'S ASSOCIATION

- ☒ 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](http://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

**FY14**  
**Board of Directors**  
**Alzheimer's Association, San Diego/Imperial Chapter**  
6632 Convoy Court  
San Diego, CA 92111  
Phone: (858) 492 - 4400  
Fax: (858) 492 - 4406

24/7 HelpLine: (800) 272 - 3900  
[www.alz.org/sandiego](http://www.alz.org/sandiego)

Total Voting Members: 16  
Quorum: 9

<b>Bob Schlax (Chair)</b> Vice President, CFO and Controller – Sempra Energy Utilities San Diego Gas & Electric Company / Southern California Gas Company 8330 Century Park Court San Diego, CA 92123	<b>(O) 858-650-4191</b> <b>(C) 858-248-9178</b> <b>(H) 949-496-9628</b> <a href="mailto:rschlax@semprautilities.com">rschlax@semprautilities.com</a>
<b>Bari L. Berkman</b> Vice President of Real Estate and Assistant General Counsel SAIC 4242 Campus Point Court, Suite. 7000 San Diego, CA 92121	<b>(B) 858-826-7595</b> <b>(H) 858 759-6705</b> <a href="mailto:Bari.l.berkman@saic.com">Bari.l.berkman@saic.com</a>
<b>Pat Brown</b> Weather Anchor – 10 News KGTV 10796 Penara Street San Diego, CA 92126	<b>(H) 858-566-3107</b> <b>(C) 858-210-5950</b> <a href="mailto:pat@patbrownsmiles.com">pat@patbrownsmiles.com</a>
<b>Derek Danziger</b> Vice President, Nuffer, Smith, Tucker 707 Broadway 19 <sup>th</sup> Floor, San Diego, CA 92101	<b>(B) 619/296-0605, ext. 222</b> <a href="mailto:dd@nstpr.com">dd@nstpr.com</a>
<b>Lisa E. Heikoff M.D.</b> Southern California Kaiser Permanente Medical Group Physician in Charge Continuing Care, Home Health, Palliative Care and Hospice 10990 San Diego Mission Road San Diego, CA 92108	<b>(B) 619-528-1245</b> <a href="mailto:lisa.e.heikoff@kp.org">lisa.e.heikoff@kp.org</a>
<b>Patricia Hodgkin</b> Vice President, First American Trust, FSB Wealth Management Provider 4380 La Jolla Village Dr., Ste. 200, San Diego, CA 92122	<b>(B) 858-410-5761</b> <a href="mailto:phodgkin@firstam.com">phodgkin@firstam.com</a>

Last updated: 5/4/2014 12:28:00 PM

<b>Maddy Morris Kilkenny</b> Clay Company 2251 San Diego Ave # A260 San Diego, CA 92110	<b>(B) 619-234-0607</b> MKilkenny@theclayco.com
<b>Debra Lobatz</b>	dlobatz@gmail.com
<b>Paul Mosher</b> Retired 2500 6th Ave, #1104 San Diego, CA 92103	<b>(H) 619-226-2881</b> (F) 619-226-2889 (C) 619-985-1377 pfmosh@cox.net
<b>Barbara Mulligan</b> 1000 Genter St. Apt 203 La Jolla 92037	<b>(C) 858-945-2666</b> barbmulligan@gmail.com
<b>John Nienstedt (Secretary)</b> President, Competitive Edge Research & Communication, Inc. 2170 4 <sup>th</sup> Avenue San Diego, CA 92101	<b>(H) 619-702-2372</b> john@cerc.net
<b>Ann Owens</b> Senior Vice President of Total Rewards Management Qualcomm	aowens@qualcomm.com
<b>Crystal Sargent</b> Director of Marketing & CRA Administration Torrey Pines Bank 12220 El Camino Real, Suite 100 San Diego, CA 92130	<b>(B) 858-523- 4640</b> (C) 858-472-3682 CSargent@torreypinesbank.com
<b>Herb Schnall (Treasurer)</b> P.O. Box 9457 Rancho Santa Fe, CA 92067	<b>(H) 858-756-0490</b> hanndiego@cox.net
<b>Anthony Shimkin</b> Senior Director, Marketing, Qualcomm Life, a Qualcomm Company 5775 Morehouse Drive San Diego, CA 92121	<b>(B)</b> (C) 858-242-8420
<b>Dustin Steiner</b> Chief of Staff to County Supervisor Bill Horn 10831 Caminito Arcada San Diego, CA 92131-3666	DustinSteiner@hotmail.com (858)869-9701

**Board Operations:**

Susan Quinn, Director of Operations and Administration  
Office (858) 966-3312  
Cell-- (619) 850-3026  
Susan.Quinn@alz.org



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

**MINI-GRANT**

Project Name: <b>The Country School Theatre Project</b> Date Submitted: 7/30/14	Total # of people served: 28 Total # of San Marcos residents served: 5	Amount Requested: \$1,500
Non-Profit Organization Name and Address, Website  Positive Action Community Theatre (PACT) 2061 Village Park Way, #227 Encinitas, CA 92024 www.pacthouse.org		Contact Person – Name, Title & Phone, email  Kathryn Campion Co-founder/Executive Director 760-274-3867 (direct line) info@pacthouse.org
<p><u>Briefly</u> describe your request for funds:</p> <p>We are requesting funds for theatre/life skills workshops to be provided to students with autism at the Country School in San Marcos. The student body consists of 28 children and teens, 5 of whom are residents of San Marcos. This grant will help pay expenses for these 5 San Marcos residents to receive two 8-week cycles of our theatre/life skills workshops in the fall and winter their 2014-15 school year. We have been providing this grant funded program to the school since January, 2013. The school's director and staff report seeing significant improvements in their students' self-esteem, cooperation, fitness, and creativity as a result of their participation in our workshops. They also report that these improvements are translating into more success in the rest of their school day.</p> <p>Since 2008 we have been successfully teaching life skills through theatre to those with autism. Program evaluations and parent feedback confirm that our programs have greatly helped them to reach their full potential and live happy and productive lives. Children and teens with autism very often have a natural propensity for theatre, and it has proven to be a very effective way to teach them life and social skills that help them to come out of isolation and learn to rejoin society and share their unique gifts. We are filling an otherwise unmet need for these children and teens at the Country School, and the school's staff and students are very enthusiastic about our return this fall.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>Although we have been successfully serving children and teen with autism with our programs since 2008, the Country School Theatre Project gave us our first opportunity to bring our programs to the City of San Marcos. We are delighted to be serving your community and hope to serve many more in the future. This mini-grant will allow us to continue bringing our innovative and effective workshops to San Marcos with the long term goal of helping even more of your residents with autism to learn vital life skills and have the opportunity to study and express the performing arts.</p> <p>The Country School, where we provide these programs, is a Teri, Inc. school. Teri, Inc. is currently building a 20-acre campus in San Marcos that will incorporate the Country School along with their other schools, and we would like to serve many more San Marcos residents with autism in the future at their new location. This mini-grant will help us to continue to provide our programs to their students in the interim period, which will open the door to collaborating with them in the future.</p>		

**Both Mini-Grant & Regular:**

- ### 5. Regular Grants Only:

- a. 1-2 page narrative
- b. First 2 pages of Federal 990
- c. Most recent year-end Statement or Audit including any management letters associated with Audit.
- d. Signature of President or Authorized Officer on Application
- e. Optional: letters of support

9/16/14 to 5/14/15

Signature of President or Authorized Officer

Name, Title
-------------

Date \_\_\_\_\_

# San Marcos Community Foundation

c/o City of San Marcos

1 Civic Center Drive

San Marcos, CA 92069

Email (PDF Format): [wkaserman@san-marcos.net](mailto:wkaserman@san-marcos.net)

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

The budget below reflects two 8-week cycles of workshops for all 28 students. Of the total budget of \$9,000, the 5 San Marcos residents comprise 18%, or \$1,620. We are requesting a mini-grant of \$1,500 to help pay expenses to serve these 5 students for two 8-week cycles of programs.

Expenses for two 8-week cycles of programs for all 28 students:

Workshop Director: 57 hours at \$35 per hour	\$ 2,000
Project Director: 133 hours at \$35 per hour	\$ 4,000
Payroll taxes 10%	\$ 600
Health Benefits	\$ 270
Office Rental: this project's share of \$400/month for 6 months	\$ 1,200
Phone/Fax/Internet: this project's share of these expenses	\$ 600
Transportation: mileage to the Country School – 450 miles at .60/miles	\$ 270
Misc. program expenses	\$ 60

<b>Total:</b>	<b>\$ 9,000</b>
---------------	-----------------

<b>Grant Request Amount:</b>	<b>\$ 1,500</b>
------------------------------	-----------------

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

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

\$ 5,000	Transformation Trust, Inc.	** C
\$ 2,500	Stephen and Mary Birch Foundation	** P



POSITIVE ACTION COMMUNITY THEATRE (PACT)  
Organizational Budget  
7-1-14 to 6-30-15

**Expenses**

1. Personnel	
Executive/Project Director	\$14,000.00
Workshop Directors	\$6,700.00
Payroll Taxes	\$2,070.00
Health Benefits	<u>\$1,200.00</u>
Subtotal: Personnel	\$23,970.00
2. Services/Supplies	
Workshop Room Rental	\$2,000.00
Office Rental	\$4,800.00
Phone/Fax/Internet	\$2,300.00
Office Supplies/Printing/Postage/Repairs	\$600.00
Program Supplies/Misc.	\$400.00
Insurance	\$1,200.00
Transportation	\$1,500.00
Marketing and Publicity	\$600.00
Payroll Services	<u>\$330.00</u>
Subtotal: Supplies/Services	\$13,730.00
<b>TOTAL EXPENSES</b>	<b>\$37,700.00</b>

## Positive Action Community Theatre (PACT)

### Board of Directors 2014

William Simonson, Board Chair  
PACT Co-founder  
Professional Actor, Director, Stage Manager (retired)

Karen Rusnak, Board Treasurer  
Student (field of study: Architecture)  
Mother of special needs child

Tracee Gamboa, MSN, CNS, Board Secretary  
Advanced Practice Nurse  
Scripps Encinitas and Green Hospital  
Mother of special needs teen

Paul Goul, Board Member  
Supplier Quality Supervisor  
Nordson Corporation  
Advanced Technology Systems

Maggie Murphy Maertz, Board Member, Program Volunteer  
Strategy Planning Leader  
Enterprise Talent Planning & Development  
Wells Fargo & Company

Michelle Rais, Board Member, Program Volunteer  
PACT Program Volunteer

Darren Thierry, Board Member  
Head of Global Supply Center Operations  
Life Technologies  
Father of special needs child

Kathryn Campion, Board Member  
PACT Co-founder, Executive Director  
Non-profit Management Background

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

DEPARTMENT OF THE TREASURY

Date: **FEB 06 2009**

POSITIVE ACTION COMMUNITY THEATRE  
PACT  
C/O KATHRYN CAMPION  
2061 VILLAGE PARK WAY STE 227  
ENCINITAS, CA 92024

Employer Identification Number:  
37-1566774  
DLN:  
17053172309038  
Contact Person:  
JEFFERY A CULLEN ID# 31215  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
December 31  
Public Charity Status:  
170(b)(1)(A)(vi)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
May 13, 2008  
Contribution Deductibility:  
Yes  
Addendum Applies:  
No

Dear Applicant:

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

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

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

Letter 947 (DO/CG)



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

In reply refer to  
755:AFF:ARJ

June 8, 2009

POSITIVE ACTION COMMUNITY THEATRE (PACT)  
KATHRYN CAMPION  
2061 VILLAGE PARK WA  
ENCINITAS CA 92024

Purpose : CHARITABLE  
Code Section : 2370ld  
Form of Organization : Corporation  
Accounting Period Ending: December 31  
Organization Number : 3115313

#### EXEMPT ACKNOWLEDGEMENT LETTER

This letter acknowledges that the Franchise Tax Board (FTB) has received your federal determination letter that shows exemption under Internal Revenue Code (IRC) Section 501(c)(3). Under California law, Revenue and Taxation Code (R&TC) Section 2370ld(c)(1) provides that an organization is exempt from taxes imposed under Part 11 upon submission of the federal determination letter approving the organization's tax-exempt status pursuant to Section 501(c)(3) of the IRC.

The effective date of your organization's California tax-exempt status is 05/13/2008.

R&TC Section 2370ld(c)(1) further provides that the effective date of an organization's California tax-exempt status is the same date as the federal tax-exempt status under IRC Section 501(c)(3).

Under R&TC Section 2370ld(c), any change to your organization's operation, character, or purpose that has occurred since the federal exemption was originally granted must be reported immediately to this office. Additionally, organizations are required to be organized and operating for nonprofit purposes to retain California tax-exempt status.

For filing requirements, see FTB Pub. 1068, Exempt Organizations - Requirements for Filing Returns and Paying Filing Fees. Go to our website at [ftb.ca.gov](http://ftb.ca.gov) and search for 1068.

Note: This exemption is for state franchise or income tax purposes only. For information regarding sales tax exemption, contact the State Board of Equalization at 800.400.7115, or go to their website at [boe.ca.gov](http://boe.ca.gov).

A JENKINS  
EXEMPT ORGANIZATIONS  
BUSINESS ENTITIES SECTION  
TELEPHONE (916) 845-4605  
FAX NUMBER (916) 845-9029

April 7, 2014

To Whom It May Concern:

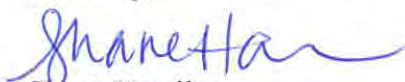
I am writing in support of Positive Action Community Theatre's program at The Country School. We have been receiving the benefits of this grant funded theater-life skills program since January, 2013, and have been very happy with the results.

Our students, most of whom have autism, greatly enjoy the weekly program. I also receive positive feedback from the teachers and aides from the school that attend the program. The goal of the program is successful in that we are seeing improvements in the students' confidence, ability to work as a team, interest in participating in the physically active theater games, taking initiative, problem solving and their ability to think more creatively. These positive results are helping the students be more successful in the rest of their school day.

The workshop director for the program is excellent. She clearly has a feel for how to work with our students effectively, and for how to gain their support. She is fair yet firm and has a great rapport with all of our students.

Because we could not otherwise afford to fund this program at this time, I urge you to provide Positive Action Community Theatre with the grant funds they need so that our students can continue to benefit from these very worthwhile programs.

Sincerely,

A handwritten signature in blue ink that reads "Shane Hamilton".

Shane Hamilton

Director of the Country School

# Melissa Collins-Porter

2844 Camino Serbal  
Carlsbad, CA 92009

[collinsporter@gmail.com](mailto:collinsporter@gmail.com)

May 9, 2013

Kathryn Campion  
Director, Positive Action Community Theatre

Dear Kathryn,

I want to thank you for your tireless efforts in providing an accessible theatre program at The Country School. My son Liam is in the 6th grade at TCS and I know for a fact that the PACT workshops are an important part of his program. We have tried a plethora of activities for Liam over the years--both mainstream and special needs-focused. Only a few have been successful and PACT is one of them. We have struggled with what activities he will benefit from when he has zero interest in sports, art or music. Acting, however, is something he feels good about ! For a kid who is very challenged by social skills and behavior, theatre is a place that feels very comfortable for him because it allows him to be someone else--he can slip out of his own skin and into any character or situation he can think of. He loves improv and casual skits as much as plays and movies--give him lines and a costume and he is ready to go!

We have seen Liam's spontaneous speech increase since the introduction of PACT's workshops, but more interestingly, I've seen an added affect to his speech and mannerisms that is quite charming! I also believe improv increases his ability to be flexible in the face of change--a very difficult skill for people with an ASD diagnosis.

I will tell anyone who will listen about the importance of providing arts opportunities for children and adults with developmental disabilities. It's a crucial part of a well-rounded social and behavioral program. You have my respect and devotion for giving this gift to my son.

Sincerely yours,



Melissa Collins-Porter





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

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

<b>Project Name:</b> <i>Crescendo Planned Giving Program for The Foundation for Senior Wellbeing</i>  <b>Date Submitted:</b> August 5, 2014	<b>Total # of people served:</b> 32,284 residents in San Marcos, Vista & Escondido over 65 according to 2010 census  <b>Total # of San Marcos residents served:</b> 8527 seniors as of 2010 census	<b>Amount Requested:</b> \$1,500
<b>Non-Profit Organization Name and Address, Website</b>  The Foundation for Senior Wellbeing ("Foundation") P.O. Box 1896 San Marcos, CA 92079 Thefoundationforseniorwellbeing.org	<b>Contact Person – Name, Title &amp; Phone, email</b>  Barbara Fischer, President 760-471-1100   Or Jean Diaz, Board Member 760-579-3020	
<p><u>Briefly</u> describe your request for funds (to be expanded upon in narrative for regular grant):</p> <p>As described below, the Foundation is based in San Marcos and provides support to seniors in San Marcos and surrounding communities. In order to ensure its sustainability so that the Foundation may benefit the growing senior population long into the future, the Foundation has embarked on plan to diversify its funding sources including a Planned Giving component. Since the Foundation has no employees, it has determined that the most efficient means to develop its Planned Giving program is to use the services of Crescendo's <i>Integrated Marketing for Planned Gifts</i> program. The \$3,500 program will enable the Foundation to develop planned giving campaigns that are customized for the Foundation, including marketing materials and an eNewsletter.</p>		
<p><u>Briefly</u> describe the significance of your request to the San Marcos community:</p> <p>Every day many of our seniors must decide between buying groceries, medication or paying rent. According to a recent UT article, 4 out of 10 seniors in San Diego County are struggling. Seniors in North County are expected to be the fastest growing group according to Sandag.</p> <p>The Foundation, directly and working through non-profit service organizations, supports the physical, emotional, cultural and recreational needs of the growing senior population in San Marcos and surrounding communities and support for programs that provide a safety net for seniors in crisis are a primary focus. For example the Foundation has supported a demonstration program to identify gaps in coverage for seniors released from hospitals to minimize rehospitalization, crisis intervention to provide rental assistance to prevent homelessness, emergency dental care, medical supplies, wheelchair batteries, installation of grab bars, appliance repair, leaky roofs, nutritional counseling and more. The Foundation has also provided the exercise equipment, pottery kiln and computer equipment to the Senior Center. In addition, the Foundation operates a bingo program at the San Marcos Senior Center every Wednesday to encourage attendance at the Senior Center Lunch program and for mental stimulation.</p>		



Please attach the following items.

**Both Mini-Grant & Regular:**

1. Budget for request (use SMCF Budget Worksheet)
2. Annual Operating budget for the organization or unit
3. Federal & State Tax ID numbers

IRS ID: 953622887

State ID: 0826255

4. Board of Directors listing with affiliations

**5. Regular Grants Only:**

- a. 1-2 page narrative
- b. First 2 pages of Federal 990
- c. Most recent year-end Statement or Audit including any management letters associated with Audit.
- d. Signature of President or Authorized Officer on Application
- e. Optional: letters of support

Expected date project will begin/end: 10/1/2014

Date by which funds will be expended: 10/1/2014

Signature of President or Authorized Officer

*Brian Lucian*

Name, Title

*8/5/2014*

Date

Submit Via Mail, In Person or Via Email to:  
San Marcos Community Foundation

c/o City of San Marcos

1 Civic Center Drive

San Marcos, CA 92069

Email (PDF Format): [wkaserman@san-marcos.net](mailto:wkaserman@san-marcos.net)

# SAN MARCOS COMMUNITY FOUNDATION

## Budget Worksheet

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

Initial Annual Fee Crescendo Integrated Marketing for Planned Giving	\$ 3,500.00
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**Total budget for this PROJECT:** **\$ 3,500.00**

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

Is this a challenge grant? Could it be?

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

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

\$ 1,750.00	(Name of source)	Current Wisdom, Inc.	** P
\$ 250.00	(Name of source)	Diaz/Scordalakis Charitable Giving Fund	** P
\$ _____	(Name of source)	_____	** _____
\$ _____	(Name of source)	_____	** _____

## Board of Directors As of August 4, 2014

<b>Barbara Fischer, President</b>	<p>Barbara is a principal of Fischer &amp; Ritchey, LLP, a transactional law firm located in San Marcos, CA. She has a master's degree from George Washington University in Public Affairs. In 1995 she began her own practice focusing on business, estate, tax and charitable planning. Currently the firm acts as counsel for approximately 40 family foundations and 10 public charities in addition to about 500 small businesses. As part of its service to the family foundations and public charities, the firm prepares the annual filings with IRS and the resident state agencies. Both Barbara and Toni Ritchey, the other principal in the firm sit on the boards of five non-profits and actively assist community endeavors.</p>
<b>Audrey Kelly, Vice President</b>	<p>A retired Director of Customer Service in the healthcare industry for 45 years with a Business degree in Healthcare. She has been involved in writing military contracts for the Department of Defense for Blue Cross of Washington, Alaska and South Carolina. She lives in San Marcos and has four daughters, twelve grandchildren and seven great-grandchildren living in Washington.</p>
<b>Rebecca Steiner, MS, Gerontology, Secretary</b>	<p>Rebecca holds a Master of Science in Gerontology, and has extensive experience and accomplishments in the aging field. This gives her an extremely broad ability and perspective in working with older adults of all socioeconomic groups, genders, and races. She works as a senior advocate. Currently she holds the position as President of the San Marcos Lions Club.</p>
<b>Xavier Martinez, Treasurer</b>	<p>Xavier was born and raised in Los Angeles, California. After completing his education at East Los Angeles College and then Cal Poly Pomona, where he earned a BS in Accounting, he completed a tour of duty with the US Navy. Xavier earned his Masters in Taxation from Golden Gate University and is a graduate of the California State University, San Marcos Leadership North County program, Class of 2004. The corporate headquarters of Wickes Corporation, in San Diego is where Xavier started his career. He began as a Sales Tax accountant in 1973, and had been promoted to Director of Tax Compliance before he left in 1988. Xavier went on to be a Tax Manager for both USA Petroleum Company in Santa Monica and then Mc Donnell Douglas Corporation in Santa Ana, California.</p> <p>He currently is a self-employed Enrolled Agent with Martinez and Associates, Inc. located in San Marcos, California.</p> <p>Xavier currently serves on the California Physician Assistant Board, the City of San Marcos Student and Neighborhood Relations Commission, the City of San Marcos Budget Review Committee, the San Marcos Foundation for Senior Well Being and is a member of the Rotary 78 club.</p>

<b>Jean Diaz, Board Member</b>	<p>Jean Diaz's non-profit leadership includes serving as Executive Director of the San Diego Community Land Trust, board member of The Foundation for Senior Wellbeing, San Marcos Economic Development Corporation and Pace Promise. He is Chairman of the San Marcos Unified School District Proposition K Citizen's Oversight Committee, and a member of the San Marcos Chamber of Commerce Government Affairs Committee. He is a former member of the Town of Ossining Citizen's Finance Advisory Committee and the Ossining School District Audit Advisory Committee.</p> <p>Jean also has a distinguished background in public/private real estate development, and public and corporate finance. In real estate his projects included housing, historic preservation, recreation, transportation facilities and more. He developed an expertise in leasehold development and management and public/private development. His award-winning finance experience includes public finance for housing, schools, industrial &amp; economic development and other public purposes; as well as corporate finance providing financing for a wide variety of corporate facilities.</p>
<b>Alison Driessen, RNC, Board Member</b>	<p>A retired Registered Nurse with a diverse background in hospital administration, home health care, marketing and non profit agency administration. Her extended family lives and has an agricultural business in San Marcos and her grand children attend school there. She has successfully written and managed large grants for both non profit agencies and hospitals.</p>
<b>Kirk Effinger, Board Member</b>	<p>Kirk writes an opinion column that has appeared weekly in the North County Times, the San Diego Union-Tribune's North County edition, then later in the Coast News, in both print editions and online. His column now appears each week in The Paper. Along with his daughter and partner, Kirk was the founding editor/publisher of several local magazines, including two that remain in publication today under different ownership, Vista Magazine and Escondido Magazine.</p> <p>A San Diego native and resident of North County for over 30 years, Kirk has served as chairman of the San Marcos Traffic Safety Commission, as well as a member of city task forces dealing with affordable housing, the AIDs epidemic, an award-winning urban development plan and several other boards and commissions, including six years as a member of the San Marcos Chamber of Commerce Board of Directors, and as a board member of the Valley of Discovery Education Foundation. He is a graduate of California State University, San Marcos' Leadership North County program, Class of 2009.</p>
<b>Jeani Groesbeck, Board Member</b>	<p>Jeani has 20 years experience in the senior industry including 14 years in long term healthcare real estate. She is currently <b>Owner/Director of Business Development CARE CHOICE HEALTH SYSTEMS, INC.</b> She fully appreciates the importance of keeping the aging population as safe, healthy, active and engaged as possible. She and her husband live in Rancho Bernardo with 2 of their 3 children.</p>
<b>Kathleen Kildoo, Board Member</b>	<p>Kathleen is a Manager at a medical device company in Carlsbad. She has held leadership roles in many organizations including parent club presidency at the elementary, junior high and high school her son attended. She also was a founding board member of the Panorama Teen and Family Resource Center and served on school bond committees. Kathleen also served on and chaired The San Marcos</p>

	Community Foundation and is currently serving as chair of the City of San Marcos Student and Neighborhood Relations Commission and past-chair of the City of San Marcos Community Services Commission. The Community Services Commission serves the recreational needs of citizens from very young children through senior services.
<b>Catherine Paris, Board Member</b>	Catherine currently works as an advocate for seniors by providing services that contribute to their wellbeing including financial and health issues. She and her husband John have lived in San Marcos for the last 13 years. She has been a licensed Real Estate Agent for 34 years. She currently serves on the San Marcos Student and Neighborhood Relations Commission and is a past board member of Panorama Teen and Family Resource Center and the San Marcos Kiwanis Club.
<b>Pam Rundle, Board Member</b>	Pam graduated from Long Beach State University in '91, earning a BA in Recreation and Leisure Studies, with an emphasis in Therapeutic Recreation and Marketing. She is married for nearly 18 years to husband Ken, and has one son (Jake) 7 years old, and volunteer with her church, Mission Hills Church in San Marcos. Pam has worked in the senior industry for 22 years.
<b>Sandy Simmons, Board Member</b>	Sandy Simmons has spent more than 30 years in the mortgage industry holding executive level positions in operations management for a majority of those years. Sandy is a licensed mortgage broker specializing in reverse mortgages, a lending niche she chose after seeing first-hand the attempts made by unscrupulous loan officers to strip seniors of their equity or abuse their credit profiles. Sandy is currently pursuing a business degree at Palomar College. A resident of Escondido since 1989, Sandy and her family enjoy volunteering at their church and other local agencies as well as dealing in antiques and collectables.

**MINUTES  
SAN MARCOS COMMUNITY FOUNDATION  
GRANT FUNDING COMMITTEE  
SAN MARCOS ROOM  
1 CIVIC CENTER DRIVE  
SAN MARCOS, CA 92069**

**MEETING OF THE GRANT FUNDING COMMITTEE  
JULY 9, 2014 – 6:00 PM**

**CALL TO ORDER** VICE PRESIDENT WILLIAMS called the meeting to order at 6:01 p.m.

**ROLL CALL**

PRESENT: BOARD MEMBERS: MICAL, WASCO, WILLIAMS

ABSENT: BOARD MEMBERS: NONE

**ALSO PRESENT** Recording Secretary, Wendy Kaserman

**OLD BUSINESS**

**1. GRANT FUNDING HISTORY.** 2007 to Present

Staff explained that several of the applications in the agenda packet were from organizations the Foundation has funded in the past, so she thought it would be helpful to provide the committee members with information about the organizations the Foundation has funded since 2007. She also clarified that while the Boy and Girls Club has received funding from the Foundation, it has also received several Arts and Cultural Grant awards.

**NEW BUSINESS**

**2. REGULAR GRANT APPLICATION PROPOSALS**

**A. THE BOYS & GIRLS CLUB OF SAN MARCOS**

The committee members discussed the request and had some questions about the purpose of the grant as there seemed to be some variance between the cover sheet and the details of the application. Staff mentioned that the Foundation had previously awarded to funds to the program and copies of the grant report could be provided to the Board members. BOARD MEMBER MICAL agreed to visit the facility and report back on his findings at the next Grant Funding Committee meeting.

**B. NORTH COUNTY HEALTH SERVICES**

VICE PRESIDENT WILLIAMS volunteered to visit the facility and report back on her finding at the next Grant Funding Committee meeting.

**C. PARTNERSHIPS WITH INDUSTRY**

BOARD MEMBER WASCO volunteered to visit the facility and report back on his findings at the next Grant Funding Committee meeting.

**D. THE ANGEL'S DEPOT**

The committee members discussed the application and specific follow up questions they had including questions about how the organization assesses individual dietary needs of program participants and whether there is a nutritionist. BOARD MEMBER WASCO agreed to contact the organization and report back on his findings at the next meeting.

**E. CASA DE AMPARO**

The committee reviewed the organization's 2013 request for funding as well as the current request. VICE PRESIDENT WILLIAMS volunteered to contact the organization and report back on her findings at the next Grant Funding Committee meeting.

The committee discussed possibly posting post grant award reports to the website so those applying for funds would have information about what types of programs and projects the Foundation has funded. Additionally, VICE PRESIDENT WILLIAMS, suggested that the Foundation urge grantees to post the Foundation's log on their websites, as well as liking the Foundation on Facebook and sharing photos.

**3. MINI-GRANT APPLICATION PROPOSALS**

**A. ALZHEIMER'S ASSOCIATION OF SAN DIEGO/IMPERIAL COUNTY**

The committee determined that since this was not a time sensitive application, they would hold off making a funding decision until the August Grant Funding Committee so that the funding determination on mini grant application would be made at the same time regular grant funding recommendations are developed.

**CONSENT CALENDAR**

**MOTIONED BY BOARD MEMBER WASCO AND SECONDED BY BOARD MEMBER MICAL TO APPROVE THE CONSENT CALENDAR. MOTION PASSED BY UNANIMOUS VOICE VOTE.**

AYES: MICAL, WASCO, WILLIAMS

NOES: NONE

ABSTENTION: NONE

ABSENT: NONE

**4. WAIVER OF TEXT – Waived**

**5. APPROVAL OF MINUTES – Approved - SMCF Grant Funding Committee Meeting, July 9, 2014.**

**6. ORAL COMMUNICATIONS - No members of the public requested to speak.**

**ITEMS FOR THE GOOD OF THE ORDER**

**7. NEXT MEETING DATE – The next meeting of the SMCF Board of Directors is scheduled for Wednesday, August 19, 2014.**



The next Grant Funding Committee meeting is scheduled for Wednesday, August 13, 2014.

8. **MISCELLANEOUS**

9. **ADJOURNMENT**

**MOTIONED BY BOARD MEMBER WASCO AND SECONDED BY BOARD MEMBER MICAL TO  
ADJOURN THE MEETING. MOTION PASSED BY UNANIMOUS VOICE VOTE.**

Meeting adjourned at 6:40 PM.

\_\_\_\_\_  
Terri Williams, Board Vice President

ATTEST:

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