



**CITY OF COSTA MESA
2020-2021 COMMUNITY DEVELOPMENT BLOCK GRANT
PUBLIC SERVICE GRANT APPLICATION**

Application is due 3:00 PM January 28, 2020

Late Applications will not be accepted

Submit 1 original application & supplemental documentation to:

Mike Linares

Housing & Community Development

77 Fair Drive, Costa Mesa CA 92628

AND

Email the completed unsigned application form in MS-Word format to: mike.linares@costamesaca.gov

To be considered for funding a complete application & documents listed below must be submitted by the due date/time. Hard copy & electronic copy must be submitted by the due date/time.

Check each item included in your application package & CD-ROM/USB drive. Ensure an authorized representative signs the application certification. Ensure all required text fields & applicable boxes are completed or checked (*click on applicable box to insert text or check mark; "Tab" from field to field; avoid using hard returns within text boxes*). Text fields are limited in space so ensure responses are concise.

**Do not submit testimonials, letters of support, or program literature
MODIFIED APPLICATIONS WILL NOT BE ACCEPTED**

Organization Name: Families Forward

Program Name: Housing Program

CDBG Amount Requested: \$30,000

- Application
- Attachment A: Past & Projected Accomplishments
- Attachment B: Proposed Budget
- Attachment C: CDBG Funded Personnel
- Attachment D: Costa Mesa CDBG Outcomes Worksheet
- Signed Conflict of Interest Questionnaire

Submit the following materials as PDF files on a CD-ROM or USB Drive – Do not submit hard copies

- Proposed Program Application or Intake Sheet
- IRS Tax Exempt Documentation (remove all passwords)
- Current Board of Directors Roster
- Most Recent Financial Audit & 990 Tax Filing (remove all passwords)

1. APPLICANT GENERAL INFORMATION

A. Organization Legal Name: Families Forward

B. Address: 8 Thomas, Irvine, CA 92618

C. Program Name: Housing Program

D. CDBG Amount Requested: \$30,000

E. Check the **ONE** category that best describes the proposed program

- | | |
|---|---|
| <input type="checkbox"/> Elderly/Frail Elderly Services | <input type="checkbox"/> Youth Services |
| <input type="checkbox"/> Physically/Developmentally Disabled Services | <input type="checkbox"/> Crime Awareness |
| <input type="checkbox"/> Persons with HIV/AIDS Services | <input checked="" type="checkbox"/> Homeless Services |
| <input type="checkbox"/> Fair Housing Services | <input type="checkbox"/> Substance Abuse Services |
| <input type="checkbox"/> Severe Mental Illness Services | <input type="checkbox"/> Child Care Services |
| <input type="checkbox"/> Other Public Service (specify) _____ | <input type="checkbox"/> Health Services |

F. Is this application submitted by a coalition of organizations?

Yes No (If "Yes," ensure Section 7 of the Application is completed)

G. Is this application submitted by a faith-based organization?

Yes No

H. Location of where service will be provided (i.e., specify if program is citywide, a street address, a school site, etc.): Orange County including Costa Mesa

I. Person to contact regarding this application & program administration:

Name: Bryan Sualog Email Address: bsualog@families-forward.org

Telephone: 949-716-2727 Fax: 949-552-2731

J. Federal Tax ID Number: 33-0086043

K. DUNS Number: 61-009-3825

K. Official Authorized to Sign Contracts & Expend Funds:

Name: Madelynn Hirneise Title: CEO

2. APPLICATION SUMMARY (This summary will be used in reports to the City Council & the public)

Provide a brief summary of the proposed program, how will the program address a priority service need in Costa Mesa, and how CDBG grant funds will be used. If you are submitting a coalition application, discuss the role of coalition partners & how program & admin efforts will be coordinated. Since 1984, Families Forward has helped homeless families with minor-aged children in Orange County transition from crisis to financial stability and self-sufficiency. Due to community need, we have grown and currently serve over nearly 10,000 individuals annually through various supportive services. These services include housing, counseling, career coaching, life-skills education, access to our food pantry, and assistance with childcare, healthcare, and transportation, to help families regain self-sufficiency. Because of a lack of emergency shelters in Orange County, Families Forward prioritizes serving literally homeless families with an urgency to get parents and children into safe, stable environments. Through CDBG funding, Families Forward will continue to work with Costa Mesa Community Outreach Workers and other area agencies, in addition to 211OC, to identify and house homeless Costa Mesa families.

3. COMMUNITY NEED

Provide data relevant to the need for the proposed program in Costa Mesa. Ensure information is specific to Costa Mesa. Specifically address how the proposed program will impact the community need or City objectives, and how a service gap will be eliminated or demonstrably reduced. With the stagnancy of wages, increased housing costs, and the limited availability of affordable housing in Orange County, Families Forward continues to see high demand for assistance from families throughout the county. According to the 25th Annual Report on the Conditions of Children in Orange County, 48.6% of Orange County's public-school children, or 229,399 students, were eligible for the Free and Reduced Lunch Program in the 18/19 school year. At least 43.8% students in the Newport Mesa Unified School District qualify. This number is widely viewed as a proxy for the number of children at or near the poverty line. In 2017, approximately 18.4% of children in Costa Mesa were living in poverty. Families living in poverty often face debilitating setbacks that impede their ability to regain self-sufficiency. Further, children living in poverty are more likely to have behavioral and emotional problems, as well as poorer academic outcomes, perpetuating the cycle of poverty for generations. Families Forward works with literally homeless families by first addressing the immediate need for housing and then creating a plan the family can sustain after completing the program. Families Forward anticipates serving approximately 250 families in our current fiscal year. Last year, 95% of families did not return to the homeless service provider system one year after graduating from the program.

4. ORGANIZATION CAPACITY & EXPERIENCE

- A. State your organization's experience to carry out the proposed program. Include information regarding length of time providing service, professional qualification of staff (i.e., license, academic credentials, etc.) & other relevant information. For 35 years, Families Forward has existed to help low- and moderate-income families achieve and maintain self-sufficiency through housing, food, counseling, education, and other supportive services. Beginning with five rented apartments in Irvine, Families Forward now has access to a multitude of housing resources across Orange County to serve homeless families directly or in collaboration with other agencies. Families Forward has a long-standing reputation for high quality delivery of services that enables each individual family to build a plan towards independence and stability with a high success rate. Participating clients meet with their case manager to assess their progress towards personally crafted goals and their monthly budget. In addition, housing clients are given weekly access to our food pantry, one-on-one career coaching, mental health counseling, free access to acute health services as needed and financial support to solve childcare and transportation challenges. The overarching goal of the Housing Program is for at least 85% of clients to maintain stable housing one year after leaving the program. On average, Families Forward's success rate is over 95%. Lisa Stambolis, Housing Program Manager, works directly with homeless Costa Mesa families to determine appropriate housing solutions and monitor program progress. Ms. Stambolis helps to develop budget, policy, collaborations, and funding opportunities for agency programs and initiatives. Steven Moreno, Housing Development Director, cultivates partnerships with affordable housing communities, builds relationships with apartment communities and oversees the Housing Resource Specialists who work with each family to determine realistic housing options.
- B. Summarize your organization's experience administering CDBG public service grant funds. Families Forward has over three decades of experience utilizing and administering public funds. Our organization receives grants from local, county, and federal entities. Currently, we administer multiple CDBG grants from several cities in Orange County allowing us to provide services to homeless and low-income families throughout the county. Program, Accounting, and Fund Development staff monitor usage of all funding sources and provide quarterly reporting. Families Forward has been subject to A-133 audits in the past, the most recent 2017-18 audit resulted in no findings. In all cases of government funding, Families Forward has met stated outcome requirements and acted as a responsible steward of grant funds.

- C. If you have received CDBG funding from the City of Costa Mesa in past years, complete the table below for most recent years.

YEAR FUNDS RECEIVED	CDBG GRANT AMOUNT	NAME OF FUNDED PROGRAM
2019	\$14,385	Housing Program
2018	\$19,025	Housing Program
2017	\$16,000	Housing Program

- D. If previously funded by Costa Mesa CDBG, has your agency ever failed to expend all grant funds that were awarded? Yes No

If "Yes," explain reasons: _____

- E. If previously funded by Costa Mesa CDBG, has your agency ever failed to meet established contractual accomplishment goals? Yes No

If "Yes," explain reasons: _____

- F. If you have not received CDBG funding from Costa Mesa in the past 3 years, list 3 references for 3 grant fund providers that have funded the proposed program: NA

GRANT PROVIDER	GRANT PROVIDER CONTACT NAME TELEPHONE # & EMAIL	GRANT AMOUNT	DATES COVERED BY GRANT FUNDS
		\$	
		\$	
		\$	

- G. Compliance with OMB Circular A-133 (Single Audit):

- In any of the past 3 years, has your agency expended more than \$750,000 in federal funds during a fiscal year? Yes No
- During this year(s), did your agency prepare a Single Audit compliant with OMB Circular A-133? Yes No If "Yes" please provide a copy of most recent Single Audit. If "No" please explain why a Single Audit was not prepared. _____

5. PROGRAM INFORMATION

A. Complete the following budget summary for the proposed program.

- | | |
|---|--------------------|
| 1. 2020-2021 Costa Mesa CDBG Grant Funds Requested: | <u>\$30,000</u> |
| 2. Total 2020-2021 Program Budget:
(The total budget for same program that may be offered at multiple jurisdictions) | <u>\$3,710,652</u> |
| 3. Total 2020-2021 Agency Budget: | <u>\$7,096,000</u> |

B. Detail how requested CDBG funds will be utilized (e.g., staff salaries, benefits; program supplies; insurance; direct client assistance, etc.)? Ensure that **Attachment B “Proposed Program Budget”** is reflective of this outline. Costa Mesa CDBG funds will be used to help fund staff salaries for the Housing Development Director and the Housing Program Manager assigned to directly assist Costa Mesa families. A critical factor contributing to the success of Families Forward’s housing clients is the development of individualized family plans to clearly identify specific steps to achieve economic independence and stability. These plans are developed as part of our comprehensive case management approach.

C. What is the per unit cost to delivery of the proposed program? \$4,241.00/person

D. How does this cost per unit of service compare to other similar services? Families Forward believes that \$4,241 per person to house and transition an individual from homelessness to lasting self-sufficiency demonstrates an efficient use of program funding. HUD estimates that the average cost of first-time family homelessness is \$11,000.

E. Does the proposed program serve Veterans? (Note: Up to 10 additional rating points may be awarded to this application based on the percentage of Veterans served.) Yes No
If “Yes,” what is the total percentage of Veteran clients served by the program? 12.00%

F. Provide the following information regarding full-time, part-time, contract & volunteer staff that will be utilized to provide the proposed service. (If CDBG funds are requested for any personnel costs, **Attachment C “CDBG Funded Personnel”** must be completed).

Full-Time Staff: 20
 Contract Staff: _____

Part-Time Staff: 1
 Volunteers: 15

G. What percentage of the organization’s total budget is spent on fundraising & overall administration? 10.00%

H. Provide the following information regarding the number of unduplicated clients that will be served by the proposed program:

1. Total number of unduplicated clients, **regardless of city of residence** that will be service by the program between 7/1/20 & 6/30/21? 875 Individuals
2. Total number of unduplicated **Costa Mesa clients** that will be served with requested CDBG funds between 7/1/20 & 6/30/21? 26 Individuals
3. What is the **total** proposed program budget for FY 2020-2021? \$3,710,652.00
4. What % of the total program budget will be used to serve unduplicated Costa Mesa residents? 4%

I. Budget Leveraging

1. Will CDBG or other grant funding be requested for this program from any other city or the County?
 Yes No ‡

If “Yes” how much & will these grant funds be used to assist Costa Mesa Residents?

NAME OF AGENCY	CDBG/GRANT AMOUNT REQUESTED	AMOUNT THAT WILL SERVE CM RESIDENTS
Newport Beach	\$20,000	\$0
Mission Viejo	\$15,000	\$0
Rancho Santa Margarita	\$15,000	\$0
	\$	\$
	\$	\$

‡ Ensure that these amounts are also listed in “ATTACHMENT B PROPOSED 2020-2021 PROGRAM BUDGET.”

2. Will grant funding be requested for this program from any other funder to serve Costa Mesa residents? Yes No

If "Yes" how much & will these grant funds be used to assist Costa Mesa Residents?

NAME OF FUNDER	GRANT AMOUNT REQUESTED	AMOUNT THAT WILL SERVE CM RESIDENTS
Government Grants	\$190,742	\$30,000
Private Grants	\$235,654	\$9,426
Contributions	\$927,251	\$37,030
Client Rent & Services	\$440,324	\$17,613
In-Kind Revenue	\$200,000	\$8,000

- J. Is this a new program? Yes No If this is **not** a "New" program, how will this program be expanded from current program efforts? Families Forward continues to see increased demand for housing for homeless families across Orange County. This is a direct result of the high cost of housing relative to many families' ability to earn a living wage. We anticipate serving 250 families this year who have never before been assisted through Families Forward. Specifically, with the Costa Mesa CDBG funds, Families Forward will continue to expand our working relationship with Costa Mesa Community Outreach Workers in assisting homeless and motel families based in the city. During our previous years of funding, we have created an open working relationship and have ongoing update reports for the Community Outreach Workers on the families that have been referred by Costa Mesa.
- K. Will requested CDBG funds be used as "seed money" to create additional funding opportunities? Yes No
- L. Will requested CDBG funds be used to match funding requested for another funder? Yes No If "Yes," provide information regarding the other grant source & match requirements. _____

6. HUD REQUIREMENTS

Provide the following information regarding the number of individuals to be served by the proposed program & your agency from 7/1/2020 through 6/30/2021:

- A. Number of unduplicated Costa Mesa residents the program will serve **with requested CDBG funds?**
26 Individuals.

What % of these individuals will be of low/moderate income? 100%

*Note: HUD requires that each organization providing services to individuals with CDBG public service grant funds document the size, race/ethnicity & income of assisted households. Income documentation is not required for programs that exclusively serve a “**presumed beneficiary**” population; however, documentation of presumed beneficiary status is required. Presumed beneficiaries include: abused children, seniors (over 62 years of age), battered spouses, severely disabled adults, homeless persons, illiterate persons, persons with HIV/AIDS, migrant farm workers.*

- B. Does the proposed program application/intake form collect all HUD-required information?
Yes No If “Yes,” how is this information documented?

a. Self-Certification (HUD requires full income documentation for 10% to 20% of program beneficiaries)

b. Analysis of household income documents such as tax returns/pay checks

c. Program serves **presumed beneficiary** category List category Homeless Persons

If “No,” how will this information be collected & reported to the City? _____

- C. Submit a copy of the current or proposed program application/intake form with your application submission package.

- D. If the proposed service assists the homeless, what percentage of clients are “chronic homeless?” 0%
 Not Applicable

*HUD defines **chronically homeless** as:*

(1) An individual who:

(i) Is homeless & lives in a place not meant for human habitation, a safe haven, or in an emergency shelter &

(ii) Has been homeless & living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years, where each homeless occasion was at least 15 days &

(iii) Can be diagnosed with 1 or more of the following conditions: substance use disorder, serious mental illness, developmental disability, post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability;

(2) An individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days & met all of the criteria in paragraph (1) before entering that facility; or

(3) A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1), including a family whose composition has fluctuated while the head of household has been homeless.

- E. All CDBG-funded activities are required to provide **output** (i.e. number of individuals served) & **outcome** (i.e. anticipated benefit to program recipients) data. All CDBG-funded activities must meet one of HUD's "objectives" & "outcomes."

OBJECTIVE - Check the box (**only one**) that best applies to the proposed program:

- Suitable Living Environment – The activity is designed to benefit the community, families, or individuals by address issues in their living environment.
- Decent Affordable Housing – The activity is designed to cover a wide range of housing opportunities that meet individual family or community needs.
- Creating Economic Opportunities – The activity will generate economic development, commercial revitalization or job creation.

OUTCOMES - Check the box (**only one**) that best applies to the proposed program.

- Availability/Accessibility – The activity makes services, infrastructure, housing or shelter available/accessible to low- & moderate-income people, including individuals with disabilities.
- Affordability – The activity provides affordability in a variety of ways for low- & moderate-income people (includes creation or maintenance of affordable housing, basic infrastructure hook-ups or services).
- Sustainability (Promoting Livable or Viable Communities) – The activity aims to improve the community or neighborhoods, helps to make them livable or viable by providing benefits to low & moderate-income people, or by removing/eliminating slums/blighted areas.

7. COALITION APPLICATION INFORMATION

NOTE: A coalition is defined as two or more agencies (at least one of which is applying for CDBG public service grant funds) with the goal of addressing an identifiable community need, eliminating duplication of services & reducing grant administration. Evidence of a formal Memorandum of Understanding or agreement between coalition agencies must be provided.

Coalition points may also be awarded to those applications that can demonstrate they work in partnership with the City to implement homeless or neighborhood improvement initiatives.

CHECK BOX IF NOT APPLICABLE (NOTE: UP TO 10 RATING POINTS ARE AVAILABLE FOR COALITION APPLICATIONS)

A. List coalition members:

Lead Agency: Families Forward
Member: City of Costa Mesa
Member:
Member:
Member:

- B. Describe the target population to be served by the coalition. Families Forward will continue to expand our partnership with the City of Costa Mesa through the Costa Mesa Community Outreach Workers as they identify and in turn, we assist homeless and motel families with minor-aged children. Families Forward will continue to accept qualified families who are referred to our Housing Program by Costa Mesa. Families will be provided with housing and be assisted in building a plan to regain self-sufficiency and housing stability. Families Forward will continue to
- C. Describe the services each member of the coalition will provide to coalition clients & how services will be coordinated, tracked & reported. *(If seeking points as a City initiatives partner, list services to be provided & how services will be coordinated with City efforts.)* Families Forward will continue to accept qualified families who are referred to our Housing Program by Costa Mesa. Families will be provided with housing and be assisted in building a plan to regain self-sufficiency and housing stability. Families Forward will continue to participate in regular communication with Costa Mesa staff to report on the progress of any families referred to and accepted into our Housing Program.
- D. How is the effectiveness & success of coalition efforts measured? Provide data regarding coalition effectiveness/success. Through Costa Mesa CDBG funding, Families Forward has provided either monthly or weekly updates, as necessary, on the progress of Costa Mesa families referred to and accepted into the Families Forward Housing Program. During the 2018-2019 grant term, we were able to serve 31 Costa Mesa residents exceeding the projected goal of 26. Currently, we are on track to meet the projected numbers for the 2019-2020 grant term.
- E. How many clients will be served by coalition efforts during the 2020-2021 Program Year with requested CDBG funds? 26

8. CERTIFICATION

I hereby certify that I am authorized to submit this application for CDBG public service grant funding provided by the City of Costa Mesa ("City") by the Board of Directors of Families Forward ("Agency"). If grant funds are granted, funds will be used solely to benefit low- and moderate-income Costa Mesa residents. Agency understands that general liability, auto liability insurance, and workers compensation insurance are required and will be provided per terms of a grant agreement to be executed between the City and the Agency. Agency understands that grant funds are provided on a reimbursement basis and will provide appropriate documentation to substantiate expenditures submitted for reimbursement. Grant funds will be administered pursuant to an agreement and are consistent with applicable federal regulations. If the Agency fails to serve eligible Costa Mesa residents during the term of the contract, or fails to substantially attain projected accomplishments (defined as at least 75% of projected number of persons to be served), Agency may be required to repay all or a portion of funds already disbursed to the Agency by the City and/or forego receipt of additional grant funds. Agency also certifies that it is in compliance with all local zoning/land use regulations and possesses all required licenses and permits to operate/provide program.

Name: Madelynn Hirneise

Title: CEO

Signature

Date

ATTACHMENT A

PAST & PROJECTED CDBG-FUNDED PROGRAM ACCOMPLISHMENTS

Program Name: Housing Program

Do not use percentages
List actual number of unduplicated Costa Mesa residents served in past years or estimate number of unduplicated Costa Mesa residents to be served with requested CDBG funds

INCOME CATEGORY	2017-2018 ACTUAL NUMBER OF CM PERSONS SERVED	2018-2019 ACTUAL NUMBER OF CM PERSONS SERVED	2019-2020 PROJECTED NUMBER OF CM PERSONS TO BE SERVED	2020-2021 PROJECTED NUMBER OF CM PERSONS TO BE SERVED
MODERATE-INCOME 80% + MEDIAN INCOME	0	0	0	0
LOW-INCOME 50%-80% MEDIAN INCOME	0	0	0	0
VERY LOW-INCOME 30%-50% MEDIAN INCOME	0	5	16	16
EXTREMELY LOW- INCOME 0%-30% MEDIAN INCOME	37	26	10	10
TOTAL	37	31	26	26 §

§ Total "Projected to be Served" should equal number of unduplicated Costa Mesa Residents to be served with CDBG grant funds listed previously in your application.

ATTACHMENT B
PROPOSED 2020-2021 PROGRAM BUDGET

Program Name: Housing Program

BUDGET CATEGORY	CDBG	OTHER	TOTAL
Agency Administration Staff Salaries & Benefits	\$0	\$193,886.70	\$193,886.70
Program Staff Salaries & Benefits	\$30,000.00	\$1,714,980.30	\$1,744,980.30
Program Supplies	\$0.00	\$57,509.00	\$57,509.00
Rent/Lease	\$0.00	\$0.00	\$0.00
Communications	\$0.00	\$0.00	\$0.00
Utilities	\$0.00	\$258,382.00	\$258,382.00
Insurance	\$0.00	\$0.00	\$0.00
Professional Services (Specify)	\$0.00	\$0.00	\$0.00
Other (Specify) Direct Program Expense	\$0.00	\$1,045,578.00	\$1,045,578.00
Other (Specify) In-Kind Expense	\$0.00	\$200,000.00	\$200,000.00
Other (Specify) Depreciation	\$0.00	\$83,000.00	\$83,000.00
Other (Specify) Other Expense	\$0.00	\$127,316.00	\$127,316.00
TOTAL	\$30,000.00	\$3,680,652.00	\$3,710,652.00

List Source of "Other" Program Funds to be use to Assist CM Residents

SOURCE OF OTHER PROGRAM FUNDS	AMOUNT OF OTHER PROGRAM FUNDS	FUNDS SECURED FOR FY 19-20 WITH A CONTRACT?
Government Grants	\$1,907,423.00	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Private Grants	\$235,654.00	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Contributions	\$927,251.00	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Client Rent and Services	\$440,324.00	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
In-Kind Revenue	\$200,000.00	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
TOTAL	\$3,710,652.00	

ATTACHMENT C CDBG FUNDED PERSONNEL

CHECK BOX IF NOT APPLICABLE

LIST ONLY POSITIONS FOR WHICH YOU ARE REQUESTING CDBG FUNDING

AGENCY ADMINISTRATION

POSITION TITLE	ANNUAL SALARY	ANNUAL BENEFITS	TOTAL COMPENSATION	CDBG FUNDS REQUESTED	% OF TIME POSITION IS DEDICATED TO COSTA MESA CDBG ACTIVITY
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%

PROPOSED PROGRAM STAFF

POSITION TITLE	ANNUAL SALARY	ANNUAL BENEFITS	TOTAL COMPENSATION	CDBG FUNDS REQUESTED	% OF TIME POSITION IS DEDICATED TO COSTA MESA CDBG ACTIVITY
Housing Development Director	\$90,000.00	\$13,500.00	\$103,500.00	\$15,000.00	9.00%
Housing Program Manager	\$75,000.00	\$11,250.00	\$86,250.00	\$15,000.00	15.00%
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%

PROPOSED PROGRAM CONTRACT STAFF

POSITION TITLE	ANNUAL SALARY	ANNUAL BENEFITS	TOTAL COMPENSATION	CDBG FUNDS REQUESTED	% OF TIME POSITION IS DEDICATED TO COSTA MESA CDBG ACTIVITY
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%
	\$	\$	\$	\$	%

ATTACHMENT D

COSTA MESA CDBG OUTCOMES WORKSHEET

This sheet is designed to help applicants for Costa Mesa CDBG funding better plan their program and identify their desired program goals and outcomes. It will not factor into the application process, but rather, can be used to help applicants think about their program.

Program Goal	Program Activities	Program Output	Indicator	Program Outcome	Target Population(s)
<i>Goals:</i> This is an overarching objective of what you are trying to achieve with your program. It should be as specific and clear as possible.	<i>Activities:</i> This describes the who, what, when & where of your program. What tasks/activities will be done in pursuit of the desired goal.	<i>Outputs:</i> This describes the intermediate step of what effort(s) your team exerted in pursuit of the outcome. This is often easily quantifiable (# of classes held, # of meals served, # of participants engaged, etc.)	<i>Indicators:</i> This measures progress “measures” or “benchmarks.” It answers the question: Are we on track to reach the outcome?	<i>Outcomes:</i> This describes the end result and impact on the target population. It answers the question: What would we expect to see as a result of the efforts (change in knowledge, behavior or community)?	Please identify which of the following high-priority populations your outcomes serve <ul style="list-style-type: none"> – Homeless Services/ Fair Housing – Youth Services – Disabled Services – Elderly/ Frail, Senior Services
Goal 1: Families Forward will link homeless Costa Mesa families to affordable, permanent housing and appropriate supportive services.	Families will work with Case Managers and Housing Resource Specialists to determine realistic housing options	Number of families placed in the Housing Program	Progress is checked and communicated to Costa Mesa Community Outreach Workers weekly	7 Costa mesa families are stably housed	Homeless Servcies
Goal 2:					
Goal 3:					

2020 OC HMIS: PROJECT INTAKE FORM — GENERAL & CoC/ESG

PROJECT NAME											
PROJECT START DATE	<table border="1"> <tr> <td></td><td></td><td>—</td><td></td><td></td><td>—</td><td></td><td></td><td></td><td></td> </tr> </table>			—			—				
		—			—						
HOUSING MOVE-IN DATE <i>(For PSH, PH with no disability requirement, and RRH Projects: Record the date a client or household moves into a permanent housing unit)</i>	<table border="1"> <tr> <td></td><td></td><td>—</td><td></td><td></td><td>—</td><td></td><td></td><td></td><td></td> </tr> </table>			—			—				
		—			—						

PRIOR LIVING SITUATION for project types *other than* Street Outreach, Emergency Shelter, or Safe Haven

Type of Residence 3.917B <i>(Type of living arrangement on the night before the entry into the project)</i>		
HOMELESS SITUATION		
<input type="checkbox"/> Place not meant for habitation (e.g., a vehicle, an abandoned building, bus/train/subway station/airport or anywhere outside) <input type="checkbox"/> Emergency shelter, including hotel or motel paid for with emergency shelter voucher, or RHY-funded Host Home shelter <input type="checkbox"/> Safe Haven		
INSTITUTIONAL SITUATION		
<input type="checkbox"/> Foster care home or foster care group home <input type="checkbox"/> Hospital or other residential non-psychiatric medical facility <input type="checkbox"/> Jail, prison or juvenile detention facility <input type="checkbox"/> Long-term care facility or nursing home <input type="checkbox"/> Psychiatric hospital or other psychiatric facility <input type="checkbox"/> Substance abuse treatment facility or detox center		
TRANSITIONAL AND PERMANENT HOUSING SITUATION		
<input type="checkbox"/> Residential project or halfway house with no homeless criteria <input type="checkbox"/> Hotel or motel paid for without emergency shelter voucher <input type="checkbox"/> Transitional housing for homeless persons (including Homeless Youth) <input type="checkbox"/> Host Home (non-crisis) <input type="checkbox"/> Staying or living in a friend's room, apartment or house <input type="checkbox"/> Staying or living in a family member's room, apartment, or house <input type="checkbox"/> Rental by client, with GPD TIP subsidy <input type="checkbox"/> Rental by client, with VASH housing subsidy <input type="checkbox"/> Permanent housing (other than RRH) for formerly homeless persons <input type="checkbox"/> Rental by client, with RRH or equivalent subsidy <input type="checkbox"/> Rental by client, with HCV voucher (tenant or project based) <input type="checkbox"/> Rental by client in a public housing unit <input type="checkbox"/> Rental by client, no ongoing housing subsidy <input type="checkbox"/> Rental by client, with other ongoing housing subsidy <input type="checkbox"/> Owned by client, with ongoing housing subsidy <input type="checkbox"/> Owned by client, no ongoing housing subsidy <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected		
Length of Stay in Prior Living Situation <i>(How long ago did the client start staying in that Type of Residence)</i>		
<input type="checkbox"/> One night or less <input type="checkbox"/> Two to six nights <input type="checkbox"/> One week or more, but less than one month <input type="checkbox"/> One month or more, but less than 90 days <input type="checkbox"/> 90 days or more, but less than one year <input type="checkbox"/> One year or longer <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected		

If Client's Type of Residence is any of the Homeless Situation options:

Approximate Date Homelessness Started <i>(Approximate date the client's current episode of homelessness began)</i>		
_____ / _____ / _____		
Number of times the client has been on the streets, in ES, or Save Haven in the past three years including today <i>(Regardless of where they stayed last night)</i>		
<input type="checkbox"/> One time <input type="checkbox"/> Two times <input type="checkbox"/> Three times <input type="checkbox"/> Four or more times <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected		
Total number of months homeless on the streets, in ES, or SH in the past three years		
<input type="checkbox"/> One month (this time is the first month) <input type="checkbox"/> Two Months <input type="checkbox"/> Three Months <input type="checkbox"/> Four Months <input type="checkbox"/> Five Months <input type="checkbox"/> Six Months <input type="checkbox"/> Seven Months <input type="checkbox"/> Eight Months <input type="checkbox"/> Nine Months <input type="checkbox"/> Ten Months <input type="checkbox"/> Eleven Months <input type="checkbox"/> Twelve Months <input type="checkbox"/> More than 12 months <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected		

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If Client's Type of Residence is any of the *Institutional Situation* options:

Length of Stay Less than 90 days? <i>(Indicate if the stay in the institutional setting they lived in immediately prior to project entry was less than 90 days)</i>	<input type="checkbox"/> No	<input type="checkbox"/> Yes
---	-----------------------------	------------------------------

If Client's Type of Residence is any of the *Transitional and Permanent Housing Situation* options:

Length of Stay Less than 7 nights? <i>(Indicate if the stay in the transitional or permanent housing setting they lived in immediately prior to project entry was less than 7 nights)</i>	<input type="checkbox"/> No	<input type="checkbox"/> Yes
---	-----------------------------	------------------------------

If 'Length of Stay Less than 90 days' is YES—OR— If 'Length of Stay Less than 7 nights' is YES

On the night before – stayed on streets, ES or Safe Haven? <i>(On the night before the client's stay of less than 90 days in an institutional setting, or less than 7 nights in a transitional/permanent housing setting, were they on the streets, in an Emergency Shelter, or in a Safe Haven?)</i>	<input type="checkbox"/> No	<input type="checkbox"/> Yes
---	-----------------------------	------------------------------

If 'On the night before – stayed on streets, ES, or Safe Haven' is YES

Approximate Date Homelessness Started <i>(Approximate date the client's current episode of homelessness began)</i>

____/____/____

Number of times the client has been on the streets, in ES, or Save Haven in the past three years including today <i>(Regardless of where they stayed last night)</i>
--

- | | | |
|------------------------------------|---|--|
| <input type="checkbox"/> One time | <input type="checkbox"/> Three times | <input type="checkbox"/> Client doesn't know |
| <input type="checkbox"/> Two times | <input type="checkbox"/> Four or more times | <input type="checkbox"/> Client refused |
| | | <input type="checkbox"/> Data not collected |

Total number of months homeless on the streets, in ES, or SH in the past three years

- | | | |
|---|---------------------------------------|--|
| <input type="checkbox"/> One month (this time is the first month) | <input type="checkbox"/> Six Months | <input type="checkbox"/> Eleven Months |
| <input type="checkbox"/> Two Months | <input type="checkbox"/> Seven Months | <input type="checkbox"/> Twelve Months |
| <input type="checkbox"/> Three Months | <input type="checkbox"/> Eight Months | <input type="checkbox"/> More than 12 months |
| <input type="checkbox"/> Four Months | <input type="checkbox"/> Nine Months | <input type="checkbox"/> Client doesn't know |
| <input type="checkbox"/> Five Months | <input type="checkbox"/> Ten Months | <input type="checkbox"/> Client refused |
| | | <input type="checkbox"/> Data not collected |

DISABLING CONDITIONS AND BARRIERS

Do you have a disabling condition?

<input type="checkbox"/> No	<input type="checkbox"/> Client doesn't know
<input type="checkbox"/> Yes	<input type="checkbox"/> Client refused
	<input type="checkbox"/> Data not collected

Do you have a physical disability?

<input type="checkbox"/> No	<input type="checkbox"/> Client doesn't know
<input type="checkbox"/> Yes	<input type="checkbox"/> Client refused
	<input type="checkbox"/> Data not collected

If yes for Physical Disability,
Expected to be of long-continued and indefinite duration and substantially impairs ability to live independently?

<input type="checkbox"/> No	<input type="checkbox"/> Client doesn't know
<input type="checkbox"/> Yes	<input type="checkbox"/> Client refused
	<input type="checkbox"/> Data not collected

Do you have a developmental disability?

<input type="checkbox"/> No	<input type="checkbox"/> Client doesn't know
<input type="checkbox"/> Yes	<input type="checkbox"/> Client refused
	<input type="checkbox"/> Data not collected

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Do you have a chronic health condition?

<input type="checkbox"/> No <input type="checkbox"/> Yes		<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
<i>If yes for Chronic Health Condition,</i> Expected to be of long-continued and indefinite duration and substantially impairs ability to live independently?		<input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected

Have you been diagnosed with AIDS or have you tested positive for HIV?

<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
---	--

Do you have a mental health problem?

<input type="checkbox"/> No <input type="checkbox"/> Yes		<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
<i>If yes for Mental Health Problem,</i> Expected to be of long-continued and indefinite duration and substantially impairs ability to live independently?		<input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected

Do you have a substance abuse problem?

<input type="checkbox"/> No <input type="checkbox"/> Alcohol Abuse <input type="checkbox"/> Drug Abuse <input type="checkbox"/> Both Alcohol and Drug		<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
<i>If you have any Substance Abuse Problem,</i> Expected to be of long-continued and indefinite duration and substantially impairs ability to live independently?		<input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected

Are you a survivor of domestic or intimate partner violence?

<input type="checkbox"/> No <input type="checkbox"/> Yes		<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
<i>If Yes for survivor of domestic or intimate partner violence</i>		
When did this experience occur?	<input type="checkbox"/> Within the past three months <input type="checkbox"/> Three to six months ago (excluding six months exactly) <input type="checkbox"/> From six to twelve months ago (excluding one year exactly) <input type="checkbox"/> More than a year ago	<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
Are you currently fleeing?	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected

2020 OC HMIS: PROJECT INTAKE FORM — GENERAL & CoC/ESG

MONTHLY INCOME AND SOURCES

Income from Any Source	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
IF "YES" TO INCOME FROM ANY SOURCE – INDICATE ALL SOURCES THAT APPLY		
Income Source (Check all that apply)	Monthly Amount	
<input type="checkbox"/> Earned Income		
<input type="checkbox"/> Unemployment Insurance		
<input type="checkbox"/> Worker's Compensation		
<input type="checkbox"/> Private Disability Insurance		
<input type="checkbox"/> VA Service-Connected Disability Compensation		
<input type="checkbox"/> Social Security Disability Income (SSDI)		
<input type="checkbox"/> Supplemental Security Income (SSI)		
<input type="checkbox"/> Retirement Income from Social Security		
<input type="checkbox"/> VA Non-Service-Connected Disability Pension		
<input type="checkbox"/> Pension or retirement income from a former job		
<input type="checkbox"/> Temporary Assistance for Needy Families (TANF)		
<input type="checkbox"/> General Assistance (GA)		
<input type="checkbox"/> Alimony or other spousal support		
<input type="checkbox"/> Child Support		
<input type="checkbox"/> Other Cash Income (Specify: _____)		

NON-CASH BENEFITS

Receiving Non-Cash Benefits?	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
IF "YES" TO RECEIVING NON-CASH BENEFITS– INDICATE ALL SOURCES THAT APPLY		
<input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP)	<input type="checkbox"/> TANF Transportation Services	
<input type="checkbox"/> Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	<input type="checkbox"/> Other TANF-funded services	
<input type="checkbox"/> TANF Childcare Services	<input type="checkbox"/> Other Non-Cash Benefits (Specify Source): _____	

HEALTH INSURANCE

Covered by Health Insurance?	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client refused <input type="checkbox"/> Data not collected
IF "YES" TO COVERED BY HEALTH INSURANCE– INDICATE ALL SOURCES THAT APPLY		
<input type="checkbox"/> MEDICAID	<input type="checkbox"/> Insurance Obtained through COBRA	
<input type="checkbox"/> MEDICARE	<input type="checkbox"/> Private Pay Health Insurance	
<input type="checkbox"/> State Children's Health Insurance Program	<input type="checkbox"/> State Health Insurance for Adults	
<input type="checkbox"/> Veteran's Administration (VA) Medical Services	<input type="checkbox"/> Indian Health Services Program	
<input type="checkbox"/> Employer-provided Health Insurance	<input type="checkbox"/> Other Health Insurance (Specify Source): _____	

2020 OC HMIS: PROJECT INTAKE FORM — GENERAL & CoC/ESG

LAST PERMANENT ADDRESS

Prior City <i>The last city in which the client was permanently housed prior to entry into this project</i>	
---	--

OC CUSTOM QUESTIONS

What city were you in immediately prior to entry into this project? <i>The city in which the client spent the night prior to entry into this project</i>			
<input type="checkbox"/> Aliso Viejo <input type="checkbox"/> Anaheim <input type="checkbox"/> Brea <input type="checkbox"/> Buena Park <input type="checkbox"/> Costa Mesa <input type="checkbox"/> Cypress <input type="checkbox"/> Dana Point <input type="checkbox"/> El Modena <input type="checkbox"/> Fountain Valley <input type="checkbox"/> Fullerton <input type="checkbox"/> Garden Grove	<input type="checkbox"/> Huntington Beach <input type="checkbox"/> Irvine <input type="checkbox"/> La Habra <input type="checkbox"/> La Palma <input type="checkbox"/> Laguna Beach <input type="checkbox"/> Laguna Hills <input type="checkbox"/> Laguna Niguel <input type="checkbox"/> Laguna Woods <input type="checkbox"/> Lake Forest <input type="checkbox"/> Los Alamitos <input type="checkbox"/> Mission Viejo	<input type="checkbox"/> Newport Beach <input type="checkbox"/> Orange <input type="checkbox"/> Placentia <input type="checkbox"/> Rancho Santa Margarita <input type="checkbox"/> San Clemente <input type="checkbox"/> San Juan Capistrano <input type="checkbox"/> Santa Ana <input type="checkbox"/> Seal Beach <input type="checkbox"/> Stanton <input type="checkbox"/> Tustin <input type="checkbox"/> Villa Park	<input type="checkbox"/> Westminster <input type="checkbox"/> Yorba Linda <input type="checkbox"/> Unincorporated Orange County <input type="checkbox"/> Outside Orange County, but in California <input type="checkbox"/> Outside of California <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client Refused <input type="checkbox"/> Data not collected
Phone Number (Optional)			
Email Address (Optional)			

What state were you born in?				
<input type="checkbox"/> AL - Alabama <input type="checkbox"/> AL- Alaska <input type="checkbox"/> AZ - Arizona <input type="checkbox"/> AR- Arkansas <input type="checkbox"/> CA - California <input type="checkbox"/> CO - Colorado <input type="checkbox"/> CT- Connecticut <input type="checkbox"/> DE - Delaware <input type="checkbox"/> DC - District of Columbia <input type="checkbox"/> FL - Florida	<input type="checkbox"/> GA - Georgia <input type="checkbox"/> HI - Hawaii <input type="checkbox"/> ID - Idaho <input type="checkbox"/> IL - Illinois <input type="checkbox"/> IN - Indiana <input type="checkbox"/> IA - Iowa <input type="checkbox"/> KS - Kansas <input type="checkbox"/> KY - Kentucky <input type="checkbox"/> LA - Louisiana <input type="checkbox"/> ME - Maine <input type="checkbox"/> MD - Maryland	<input type="checkbox"/> MA - Massachusetts <input type="checkbox"/> MI - Michigan <input type="checkbox"/> MN - Minnesota <input type="checkbox"/> MS - Mississippi <input type="checkbox"/> MO - Missouri <input type="checkbox"/> MT - Montana <input type="checkbox"/> NE - Nebraska <input type="checkbox"/> NV - Nevada <input type="checkbox"/> NH - New Hampshire <input type="checkbox"/> NJ - New Jersey	<input type="checkbox"/> NM - New Mexico <input type="checkbox"/> NY - New York <input type="checkbox"/> NC - North Carolina <input type="checkbox"/> ND - North Dakota <input type="checkbox"/> OH - Ohio <input type="checkbox"/> OK - Oklahoma <input type="checkbox"/> OR - Oregon <input type="checkbox"/> PA - Pennsylvania <input type="checkbox"/> RI - Rhode Island <input type="checkbox"/> SC - South Carolina <input type="checkbox"/> SD - South Dakota	<input type="checkbox"/> TN - Tennessee <input type="checkbox"/> TX - Texas <input type="checkbox"/> UT - Utah <input type="checkbox"/> VT - Vermont <input type="checkbox"/> VA - Virginia <input type="checkbox"/> WA - Washington <input type="checkbox"/> WV - West Virginia <input type="checkbox"/> WI - Wisconsin <input type="checkbox"/> WY - Wyoming <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client Refused <input type="checkbox"/> Other

<i>If 'Other' for State you were born,</i> Which country were you born in?	
Employment Status	<input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time <input type="checkbox"/> Seasonal/Temporary Work <input type="checkbox"/> Unemployed <input type="checkbox"/> Disabled <input type="checkbox"/> Retired <input type="checkbox"/> Client doesn't know <input type="checkbox"/> Client Refused <input type="checkbox"/> Data not collected

2020 OC HMIS: PROJECT INTAKE FORM — GENERAL & CoC/ESG

CFCOC ENTRY QUESTIONS

Is this client receiving services funded by the Children and Families Commission Orange County?	<input type="checkbox"/> No <input type="checkbox"/> Yes
CFCOC Bed Night Start Date <i>The client's first bed night funded by CFCOC</i>	____/____/____
CFCOC Bed Night End Date <i>The client's last bed night funded by CFCOC</i>	____/____/____

I certify that the information above is correct to the best of my knowledge.

 Client Signature

 Date

 Agency Staff Signature

 Date

DO NOT ANSWER QUESTIONS BELOW – DATA ENTRY PERSONNEL ONLY (Optional):

Date entered into HMIS: ____/____/____

Question	Answer	Comments
Was the hard copy intake form completely filled out correctly?	<input type="checkbox"/> No <input type="checkbox"/> Yes	

Staff Name (verifying completion of Data Entry): _____



P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248164843
June 04, 2018 LTR 4168C 0
33-0086043 000000 00

00013893
BODC: TE

FAMILIES FORWARD
% AUDREY SCHNEIDER
8 THOMAS
IRVINE CA 92618



033507

Employer ID number: 33-0086043
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated May 23, 2018, about your tax-exempt status.

We issued you a determination letter in October 1985, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

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

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

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

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

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

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,

0248164843
June 04, 2018 LTR 4168C 0
33-0086043 000000 00
00013894

FAMILIES FORWARD
% AUDREY SCHNEIDER
8 THOMAS
IRVINE CA 92618

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

Thank you for your cooperation.

Sincerely yours,



Kim A. Billups, Operations Manager
Accounts Management Operations 1

FAMILIES FORWARD

DIGNITY • EMPOWERMENT • HOPE

BOARD OF DIRECTORS & OFFICERS 2019-2020

Officers

Gary Cohn
Chairman of the Board
Marx|Okubo

Robert Davis
Chairperson,
Strategic Planning
HNTB Corporation

Robert Warne-McGraw
Chairperson,
Program
Good Shepherd Lutheran Church

Peter Reynolds
Chairperson,
Audit
Community Leader

Mark Henigan
Treasurer,
Irvine Company

Kharirulnissa Hotaki
Co-Chairperson,
Fund Development
U.S. Bank

Mark Engstrom
Co-Chairperson,
Fund Development
Community Leader

Meg English
Secretary,
Community Leader

Mark Harryman
Chairperson,
Human Resources
Unire Real Estate Group

Members of the Board

Kfir Ben-zvi
PIMCO

Sherry Benjamins
S. Benjamins & Co. Inc.

Dr. Jim Berman
Internal Medicine

Rhonda Bolton
Community Leader

Victor Cao
California Apartment
Association

Deborah Coombs
AvalonBay Communities

Bradley Comp
Ayco, A Goldman Sachs
Company

Bassam Fawaz
Qualidas Solutions

Shige Itoh
Rutan & Tucker LLP

Michael Kaufman
Community Leader

Susan McClintic
Early Childhood Educator

Anna Mendoza
Tierra Development Advisors

Nick Meraz
Community Leader

Karin Pearson
Capital Group

Jon Radus
Lieutenant, Fullerton Police
Department

Alex Razo
Wells Fargo

Trish Scarborough
Community Leader

Dr. David Snow
Distinguished Professor-UCI,
Retired

Dr. Vinita Speir
OB/GYN, Hoag Memorial

Debbie Thomsen
Community Leader

Lori Torres
Parcel Pending

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2017
Open to Public Inspection

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

A For the 2017 calendar year, or tax year beginning **OCT 1, 2017** and ending **SEP 30, 2018**

B Check if applicable: Address change Name change Initial return Final return/terminated Amended return Application pending	C Name of organization FAMILIES FORWARD Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 8 THOMAS City or town, state or province, country, and ZIP or foreign postal code IRVINE, CA 92618 F Name and address of principal officer: MARGARET WAKEHAM SAME AS C ABOVE	D Employer identification number 33-0086043 E Telephone number 949-552-2727 G Gross receipts \$ 6,344,466. H(a) Is this a group return for subordinates? Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? Yes No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527		
J Website: ▶ WWW.FAMILIES-FORWARD.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation Trust Association Other ▶		L Year of formation: 1984 M State of legal domicile: CA

Part I Summary

	1 Briefly describe the organization's mission or most significant activities: FAMILIES FORWARD EXISTS TO HELP FAMILIES IN NEED ACHIEVE AND MAINTAIN SELF-SUFFICIENCY THROUGH		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	28
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	28
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	60
	6 Total number of volunteers (estimate if necessary)	6	2000
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0.
	Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 4,950,234.
9 Program service revenue (Part VIII, line 2g)		175,861.	209,713.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		25,562.	863,666.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		-18,800.	-33,699.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		5,132,857.	6,038,776.
Expenses		13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,851,192.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,360,638.	2,621,446.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 275,149.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	308,848.	651,675.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,520,678.	5,043,006.	
19 Revenue less expenses. Subtract line 18 from line 12	612,179.	995,770.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 11,326,049.	End of Year 13,004,649.
	21 Total liabilities (Part X, line 26)	448,915.	1,088,109.
	22 Net assets or fund balances. Subtract line 21 from line 20	10,877,134.	11,916,540.

Part II Signature Block

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

Sign Here	Signature of officer MARGARET WAKEHAM, EXECUTIVE DIRECTOR Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name JONATHAN P. SCHUBERT, CPA	Preparer's signature Date Check if self-employed <input type="checkbox"/> PTIN P00032866
	Firm's name ▶ HBLA, CERTIFIED PUBLIC ACCOUNTANTS, INC. Firm's address ▶ 19600 FAIRCHILD #320 IRVINE, CA 92612	Firm's EIN ▶ 33-0155525 Phone no. 949-833-2815

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: THE ORGANIZATION'S EXEMPT PURPOSE IS TO HELP FAMILIES IN NEED ACHIEVE SELF SUFFICIENCY THROUGH HOUSING, FOOD, COUNSELING, EDUCATION AND OTHER SUPPORT SERVICES.

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 [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses \$ 3,000,391. including grants of \$ 1,178,113.) (Revenue \$ 209,713.) THE HOUSING PROGRAM PROVIDES A CONTINUUM OF CARE, INCLUDING MOTEL, INTERIM, AFFORDABLE AND RAPID RE-HOUSING OPTIONS. THIS PROGRAM PROVIDES QUALIFIED HOMELESS FAMILIES WITH IMMEDIATE ACCESS TO HOUSING. COLLABORATING WITH PARTNERING LOCAL APARTMENT COMMUNITIES, FAMILIES FORWARD ASSISTS FAMILIES WITH MOVING INTO APARTMENTS OR MOVING INTO ONE OF OUR OWNED UNITS. THESE FAMILIES ARE PROVIDED WITH TARGETED SUPPORT SERVICES THROUGHOUT THEIR PARTICIPATION IN THE PROGRAM. THIS YEAR, 233 FAMILIES, 856 CHILDREN AND THEIR PARENTS, PARTICIPATED IN THIS PROGRAM. 95% OF THESE FAMILIES REMAINED STABLY HOUSED, AND ON THE PATH TO GREATER SELF-SUFFICIENCY ONE YEAR AFTER LEAVING THE PROGRAM.

4b (Code:) (Expenses \$ 1,505,896. including grants of \$ 591,772.) (Revenue \$) THE HOMELESS PREVENTION & COMMUNITY SERVICES PROGRAM HELPS FAMILIES AVOID HOMELESSNESS. FAMILIES FORWARD PROVIDES LOW INCOME CHILDREN AND ADULTS WITH ACCESS TO NECESSARY SERVICES TO HELP THEM MAINTAIN THEIR STABILITY, INCLUDING: FOOD ASSISTANCE, COUNSELING, EMPLOYMENT COACHING, FINANCIAL AND LIFE SKILLS EDUCATION, AND SEASONAL SUPPORTIVE PROGRAMS. OUR FOOD PANTRY, CAREER COACHING, BACKPACK, COMMUNITY RESOURCE FAIR, THANKSGIVING AND ADOPT A FAMILY PROGRAMS ARE INCLUDED AS PART OF HOMELESS PREVENTION. KEEPING FAMILIES IN THEIR HOMES DURING A TIME OF CRISIS IS PREFERRED WHEN POSSIBLE TO AVOID HOMELESSNESS. THE FOOD PANTRY, STAFFED BY VOLUNTEERS, DISTRIBUTED FOOD TO 6,530 INDIVIDUALS. APPROXIMATELY 200 COMMUNITY FOOD DRIVES WERE HELD AND MANY OTHER DONATIONS WERE MADE BY INDIVIDUALS, FAMILIES, BUSINESSES, SCHOOLS,

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 4,506,287.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<input checked="" type="checkbox"/>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		<input checked="" type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input checked="" type="checkbox"/>	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input checked="" type="checkbox"/>	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		<input checked="" type="checkbox"/>
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<input checked="" type="checkbox"/>	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?		<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input checked="" type="checkbox"/>	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for line numbers (1a-14b), descriptions, and Yes/No checkboxes. Includes entries for Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8899, Form 1098-C, Form 4947(a)(1), and Form 720.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	1a 28		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 28		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **DANIELLE DEBERG - 949-552-2727**
8 THOMAS, IRVINE, CA 92618

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SANDY AVZARADEL DIRECTOR	0.50	X					0.	0.	0.	
(2) KFIR BEN-ZVI DIRECTOR	0.50	X					0.	0.	0.	
(3) JACK STEMPER DIRECTOR	1.00	X					0.	0.	0.	
(4) DR. JAMES BERMAN DIRECTOR	0.50	X					0.	0.	0.	
(5) SHIGE ITOH DIRECTOR	0.50	X					0.	0.	0.	
(6) MARK HARRYMAN DIRECTOR	0.50	X					0.	0.	0.	
(7) MICHAEL KAUFMAN DIRECTOR	0.50	X					0.	0.	0.	
(8) MARY EARL SPENCER DIRECTOR	0.50	X					0.	0.	0.	
(9) NANCY CHASE DIRECTOR	0.50	X					0.	0.	0.	
(10) TRACIE MCCLOSKEY DIRECTOR	0.50	X					0.	0.	0.	
(11) RHONDA BOLTON DIRECTOR	0.50	X					0.	0.	0.	
(12) GARY COHN DIRECTOR, PRESIDENT	0.50	X		X			0.	0.	0.	
(13) MARK ENGSTROM DIRECTOR	0.50	X					0.	0.	0.	
(14) SUSAN MCCLINTIC DIRECTOR	0.50	X					0.	0.	0.	
(15) PETER REYNOLDS DIRECTOR	0.50	X					0.	0.	0.	
(16) DEBORAH COOMBS DIRECTOR	0.50	X					0.	0.	0.	
(17) MARK HENIGAN DIRECTOR, TREASURER	0.50	X		X			0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) DIANA WONG DIRECTOR	0.50	X						0.	0.	0.
(19) ROBERT DAVIS DIRECTOR	0.50	X						0.	0.	0.
(20) KHAIRULNISSA HOTAKI DIRECTOR	0.50	X						0.	0.	0.
(21) MARGARET ENGLISH DIRECTOR, SECRETARY	0.50	X		X				0.	0.	0.
(22) TRISH SCARBOROUGH DIRECTOR	0.50	X						0.	0.	0.
(23) DAVID VENTO DIRECTOR	0.50	X						0.	0.	0.
(24) BRADLY COMP DIRECTOR	0.50	X						0.	0.	0.
(25) BASSAM FAWAZ DIRECTOR	0.50	X						0.	0.	0.
(26) ANNA MENDOZA DIRECTOR	0.50	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								246,312.	0.	20,242.
d Total (add lines 1b and 1c)								246,312.	0.	20,242.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **1**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position (Individual trustee or director, Institutional trustee, Officer, Key employee, Highest compensated employee, Former), (D) Reportable compensation from the organization (W-2/1099-MISC), (E) Reportable compensation from related organizations (W-2/1099-MISC), (F) Estimated amount of other compensation from the organization and related organizations. Rows include (27) DAVID SNOW, (28) KEN COULTER, (29) KATE LOCKHART, (30) RYAN WARNE-MCGRAW, (31) MARGARET WAKEHAM, and (32) DANIELLE BEBERG.

Total to Part VII, Section A, line 1c 246,312. 20,242.

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514		
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a 105,012.						
	b Membership dues	1b						
	c Fundraising events	1c 535,924.						
	d Related organizations	1d						
	e Government grants (contributions)	1e 1,136,620.						
	f All other contributions, gifts, grants, and similar amounts not included above	1f 3,221,540.						
	g Noncash contributions included in lines 1a-1f: \$	1,009,794.						
	h Total. Add lines 1a-1f	▶ 4,999,096.						
	Program Service Revenue	2 a CLIENT RENT AND UTILITY PAYMENTS					Business Code 624200	209,713.
b								
c								
d								
e								
f All other program service revenue								
g Total. Add lines 2a-2f		▶ 209,713.						
Other Revenue		3 Investment income (including dividends, interest, and other similar amounts)	▶ 31,093.				31,093.	
	4 Income from investment of tax-exempt bond proceeds	▶						
	5 Royalties	▶						
	6 a Gross rents	(i) Real	(ii) Personal					
		b Less: rental expenses						
		c Rental income or (loss)						
		d Net rental income or (loss)	▶					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		b Less: cost or other basis and sales expenses	1,038,489.					205,916.
		c Gain or (loss)	832,573.					
		d Net gain or (loss)	▶ 832,573.					
	8 a Gross income from fundraising events (not including \$ 535,924. of contributions reported on line 1c). See Part IV, line 18	a 66,075.						
		b Less: direct expenses	b 99,774.					
		c Net income or (loss) from fundraising events	▶ -33,699.					
	9 a Gross income from gaming activities. See Part IV, line 19	a						
b Less: direct expenses		b						
c Net income or (loss) from gaming activities		▶						
10 a Gross sales of inventory, less returns and allowances	a							
	b Less: cost of goods sold	b						
	c Net income or (loss) from sales of inventory	▶						
Miscellaneous Revenue		Business Code						
	11 a							
	b							
	c							
	d All other revenue							
	e Total. Add lines 11a-11d	▶						
12 Total revenue. See instructions.	▶ 6,038,776.	209,713.	0.	829,967.				

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22	1,769,885.	1,769,885.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	260,395.	183,136.	59,813.	17,446.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,980,082.	1,710,265.	101,960.	167,857.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	143,678.	121,421.	10,374.	11,883.
9 Other employee benefits	64,828.	54,785.	4,681.	5,362.
10 Payroll taxes	172,463.	145,747.	12,452.	14,264.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	25,308.	3,000.	22,308.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion	17,517.	8,627.	859.	8,031.
13 Office expenses	94,707.	70,428.	5,783.	18,496.
14 Information technology	130,509.	110,292.	9,423.	10,794.
15 Royalties				
16 Occupancy	295,727.	289,389.	3,050.	3,288.
17 Travel	20,413.	19,597.	204.	612.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	237,988.	208,217.	15,896.	13,875.
23 Insurance	27,211.	24,666.	1,361.	1,184.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a DONATED MATERIALS	911,394.	911,394.		
b PROGRAM EXPENSES	587,333.	586,650.		683.
c CLOSING COSTS AND RELOC	44,630.	44,630.		
d WORKERS COMPENSATION	16,616.	14,043.	1,199.	1,374.
e All other expenses	-1,757,678.	-1,769,885.	12,207.	
25 Total functional expenses. Add lines 1 through 24e	5,043,006.	4,506,287.	261,570.	275,149.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	923,258.	1	2,488,574.
	2 Savings and temporary cash investments	18,009.	2	13,649.
	3 Pledges and grants receivable, net	364,626.	3	771,501.
	4 Accounts receivable, net		4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	92,788.	9	103,237.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 9,375,222.		
	b Less: accumulated depreciation	10b 1,719,259.	10c	7,655,963.
	11 Investments - publicly traded securities	1,487,410.	11	1,556,916.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	412,016.	15	414,809.
16 Total assets. Add lines 1 through 15 (must equal line 34)	11,326,049.	16	13,004,649.	
Liabilities	17 Accounts payable and accrued expenses	200,354.	17	228,166.
	18 Grants payable		18	
	19 Deferred revenue		19	12,500.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	198,097.	21	189,544.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	36,161.	23	36,161.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	14,303.	25	621,738.
	26 Total liabilities. Add lines 17 through 25	448,915.	26	1,088,109.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	9,491,610.	27	10,591,327.
	28 Temporarily restricted net assets	1,285,524.	28	1,225,213.
	29 Permanently restricted net assets	100,000.	29	100,000.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	10,877,134.	33	11,916,540.	
34 Total liabilities and net assets/fund balances	11,326,049.	34	13,004,649.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,038,776.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,043,006.
3	Revenue less expenses. Subtract line 2 from line 1	3	995,770.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	10,877,134.
5	Net unrealized gains (losses) on investments	5	32,291.
6	Donated services and use of facilities	6	22,614.
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-11,269.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	11,916,540.

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2017)

FAMILIES FORWARD, INC.

**Financial Statements
and
Independent Auditor's Report
For the Years Ended
September 30, 2018 and 2017
and
Single Audit Report
For the Year Ended September 30, 2018**

Families Forward, Inc.
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Independent Auditor's Report

To the Audit Committee and Board of Directors of
Families Forward, Inc.
Irvine, California

Report on the Financial Statements

We have audited the accompanying financial statements of Families Forward, Inc. (a California nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Families Forward, Inc. as of September 30, 2018 and 2017, 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.

Other Matters

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2019, on our consideration of Families Forward, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Families Forward, Inc.'s 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 Families Forward, Inc.'s internal control over financial reporting and compliance.

H&LA Certified Public Accountants, Inc.
February 22, 2019

Families Forward, Inc.
Statements of Financial Position
September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,902,223	\$ 941,267
Grants and contributions receivable	771,501	364,626
Prepaid expenses and other current assets	103,237	92,788
Investments	1,441,317	1,378,140
Restricted cash (Note 10)	<u>600,000</u>	<u>-</u>
Total current assets	<u>4,818,278</u>	<u>2,776,821</u>
Property and Equipment, net	<u>7,655,963</u>	<u>8,027,942</u>
Other Assets		
Assets held in charitable remainder trust	414,809	412,016
Restricted investments	<u>115,599</u>	<u>109,270</u>
Total other assets	<u>530,408</u>	<u>521,286</u>
Total assets	<u>\$ 13,004,649</u>	<u>\$ 11,326,049</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 46,186	\$ 29,862
Accrued expenses	181,980	170,492
Clients' deposits	21,738	14,303
Unearned revenue	12,500	-
Funds held for claims administration (Note 10)	<u>600,000</u>	<u>-</u>
Total current liabilities	<u>862,404</u>	<u>214,657</u>
Long-Term Debt		
Liability to annuity beneficiary of charitable remainder trust	189,544	198,097
Note payable	<u>36,161</u>	<u>36,161</u>
Total long-term debt	<u>225,705</u>	<u>234,258</u>
Total liabilities	<u>1,088,109</u>	<u>448,915</u>
Net Assets		
Unrestricted	10,591,327	9,491,610
Temporarily restricted	1,225,213	1,285,524
Permanently restricted	<u>100,000</u>	<u>100,000</u>
Total net assets	<u>11,916,540</u>	<u>10,877,134</u>
Total liabilities and net assets	<u>\$ 13,004,649</u>	<u>\$ 11,326,049</u>

See accompanying notes to financial statements and independent auditor's report.

Families Forward, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2018
(with comparative totals for the year ended September 30, 2017)

	2018			2017	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Support and revenue					
Contributions	\$ 2,290,166	\$ 125,000	\$ -	\$ 2,415,166	\$ 1,916,286
Special events, net of direct benefit expenses of \$99,774	502,225	-	-	502,225	489,162
Grants from government agencies - program	1,127,036	-	-	1,127,036	879,789
Grants from government agencies - capital	9,584	-	-	9,584	820,000
Investment income	63,384	-	-	63,384	99,903
Rental and other income	209,713	-	-	209,713	175,861
Gain on sale of real property	832,573	-	-	832,573	-
Loss on disposal of property and equipment	-	-	-	-	(607)
Donated goods and services	934,000	-	-	934,000	1,063,387
Changes in assets and liabilities held in charitable remainder trust	-	11,345	-	11,345	27,510
Total support and revenue	5,968,681	136,345	-	6,105,026	5,471,291
Net assets released from restrictions	196,656	(196,656)	-	-	-
Total support, revenue, and satisfaction of restrictions	6,165,337	(60,311)	-	6,105,026	5,471,291
Expenses					
Housing and other programs	4,528,901	-	-	4,528,901	4,251,638
Administration	261,570	-	-	261,570	250,419
Fundraising	275,149	-	-	275,149	255,811
Total expenses	5,065,620	-	-	5,065,620	4,757,868
Increase (decrease) in net assets	1,099,717	(60,311)	-	1,039,406	713,423
Net assets, beginning of year	9,491,610	1,285,524	100,000	10,877,134	10,163,711
Net assets, end of year	\$ 10,591,327	\$ 1,225,213	\$ 100,000	\$ 11,916,540	\$ 10,877,134

See accompanying notes to financial statements and independent auditor's report.

Families Forward, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue				
Contributions	\$ 1,754,786	\$ 161,500	\$ -	\$ 1,916,286
Special events, net of direct benefit expenses of \$95,075	489,162	-	-	489,162
Grants from government agencies - program	879,789	-	-	879,789
Grants from government agencies - capital	-	820,000	-	820,000
Investment income	99,903	-	-	99,903
Rental and other income	175,861	-	-	175,861
Loss on disposal of property and equipment	(607)	-	-	(607)
Donated goods and services	1,063,387	-	-	1,063,387
Changes in assets and liabilities held in charitable remainder trust	-	27,510	-	27,510
Total support and revenue	4,462,281	1,009,010	-	5,471,291
Net assets released from restrictions	234,156	(234,156)	-	-
Total support, revenue, and satisfaction of restrictions	4,696,437	774,854	-	5,471,291
Expenses				
Housing and other programs	4,251,638	-	-	4,251,638
Administration	250,419	-	-	250,419
Fundraising	255,811	-	-	255,811
Total expenses	4,757,868	-	-	4,757,868
Increase (decrease) in net assets	(61,431)	774,854	-	713,423
Net assets, beginning of year	9,553,041	510,670	100,000	10,163,711
Net assets, end of year	<u>\$ 9,491,610</u>	<u>\$ 1,285,524</u>	<u>\$ 100,000</u>	<u>\$ 10,877,134</u>

See accompanying notes to financial statements and independent auditor's report.

Families Forward, Inc.
Statement of Functional Expenses
For the Year Ended September 30, 2018
(with comparative totals for the year ended September 30, 2017)

	2018				2017
	Housing and Other Programs	Administration	Fundraising	Total	Total
Association dues	\$ 121,867	\$ -	\$ -	\$ 121,867	\$ 116,793
Auto mileage	19,597	204	612	20,413	13,385
Bank charges	-	12,207	-	12,207	15,569
Closing and commission fees	44,630	-	-	44,630	-
Community education	17,548	-	683	18,231	3,839
Computer expenses	110,292	9,423	10,794	130,509	63,255
Depreciation	208,217	15,896	13,875	237,988	253,202
Donated materials and services	934,008	-	-	934,008	1,082,486
Dues and subscriptions	3,325	654	163	4,142	3,755
Employee benefits	176,206	15,055	17,245	208,506	203,257
Fund development	-	-	3,130	3,130	5,350
Insurance	24,666	1,361	1,184	27,211	27,090
Maintenance and rent	96,066	1,883	2,079	100,028	62,193
Newsletter and printing	8,627	859	8,031	17,517	26,318
Office expense	31,544	1,824	7,887	41,255	31,587
Payroll	1,893,401	161,773	185,303	2,240,477	2,000,513
Payroll service fees	5,341	456	521	6,318	6,104
Payroll taxes	145,747	12,452	14,264	172,463	156,868
Postage	1,818	422	4,015	6,255	4,781
Direct program expenses	558,457	-	-	558,457	505,507
Professional fees	3,000	22,308	-	25,308	28,312
Property tax	7,342	83	94	7,519	10,308
Telephone	28,400	2,427	2,780	33,607	34,579
Truck expenses	10,645	-	-	10,645	8,231
Utilities	64,114	1,084	1,115	66,313	70,727
Workers compensation	14,043	1,199	1,374	16,616	23,859
Total functional expenses	<u>\$ 4,528,901</u>	<u>\$ 261,570</u>	<u>\$ 275,149</u>	<u>\$ 5,065,620</u>	<u>\$ 4,757,868</u>

See accompanying notes to financial statements and independent auditor's report.

Families Forward, Inc.
Statement of Functional Expenses
For the Year Ended September 30, 2017

	<u>Housing and Other Programs</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Association dues	\$ 116,793	\$ -	\$ -	\$ 116,793
Auto mileage	11,948	548	889	13,385
Bank charges	-	15,569	-	15,569
Community education	3,695	-	144	3,839
Computer expenses	51,888	5,184	6,183	63,255
Depreciation	217,057	19,126	17,019	253,202
Donated materials and services	1,082,486	-	-	1,082,486
Dues and subscriptions	3,014	593	148	3,755
Employee benefits	171,770	14,676	16,811	203,257
Fund development	-	-	5,350	5,350
Insurance	24,556	1,355	1,179	27,090
Maintenance and rent	59,729	1,171	1,293	62,193
Newsletter and printing	12,962	1,290	12,066	26,318
Office expense	24,151	1,397	6,039	31,587
Payroll	1,690,611	144,446	165,456	2,000,513
Payroll service fees	5,159	441	504	6,104
Payroll taxes	132,568	11,326	12,974	156,868
Postage	1,389	323	3,069	4,781
Direct program expenses	505,507	-	-	505,507
Professional fees	1,871	26,441	-	28,312
Property tax	10,065	114	129	10,308
Telephone	27,643	3,540	3,396	34,579
Truck expenses	8,231	-	-	8,231
Utilities	68,381	1,157	1,189	70,727
Workers compensation	20,164	1,722	1,973	23,859
Total functional expenses	<u>\$ 4,251,638</u>	<u>\$ 250,419</u>	<u>\$ 255,811</u>	<u>\$ 4,757,868</u>

See accompanying notes to financial statements and independent auditor's report.

Families Forward, Inc.
Statements of Cash Flows
For the Years Ended September 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Increase (decrease) in unrestricted net assets	\$ 1,099,717	\$ (61,431)
Increase (decrease) in temporarily restricted net assets	(60,311)	774,854
Total increase in net assets	1,039,406	713,423
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation expense	237,988	253,202
Grant loans from government agency	-	(820,000)
Gain on sale of real property	(832,573)	-
Loss on disposal of property and equipment	-	607
Unrealized gain on investments	(32,291)	(73,730)
Increase in assets and liabilities held in charitable remainder trust	(11,346)	(27,509)
Decrease (increase) in grants and contributions receivable	(406,875)	207,855
Decrease (increase) in prepaid expenses and other current assets	(10,449)	14,979
Increase in accounts payable	16,324	1,679
Increase in accrued expenses	11,488	48,926
Increase in unearned revenue	12,500	-
Increase in clients' deposits	7,435	3,324
Total adjustments	(1,007,799)	(390,667)
Net cash provided by operating activities	31,607	322,756
Cash Flows from Investing Activities		
Purchases of property and equipment	(71,925)	(99,971)
Sale of property and equipment	1,038,489	-
Purchases of investments	(1,541,580)	(82,332)
Sale of investments	1,504,365	-
Investment in restricted cash	(600,000)	-
Net cash provided (used) by investing activities	329,349	(182,303)
Cash Flows from Financing Activities		
Cash received and held for claims administration	600,000	-
Net increase in cash and cash equivalents	960,956	140,453
Cash and cash equivalents at beginning of year	941,267	800,814
Cash and cash equivalents at end of year	\$ 1,902,223	\$ 941,267

See accompanying notes to financial statements and independent auditor's report.

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

1. Organization

Families Forward, Inc. (the Organization) is a not-for-profit agency dedicated to helping low income and homeless families in need. The Organization addresses families' needs at any point in their crisis by providing a broad spectrum of services, including housing, counseling, food, education, case management, life-skills training, and rent or utility assistance. Support and revenues are raised through various charitable events, grants, and private donations. The Organization was incorporated on November 30, 1984, is headquartered in Irvine, California, and serves families throughout Orange County, California.

2. Summary of Significant Accounting Policies

Net Asset Classifications

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

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including Board-designated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

Unrestricted net assets consist of funds that are fully available for the Organization to utilize in any of its programs or supporting services at the discretion of the Board of Directors.

Temporarily restricted net assets consist of funds that are restricted by donors for a specific time period or purpose.

Permanently restricted net assets consist of funds that contain donor-imposed restrictions requiring the principal be invested in perpetuity and that only the income be used. Income earned on these funds may be unrestricted or temporarily restricted, depending upon the donor-imposed restrictions.

Support and Revenue

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as additions to temporarily restricted or permanently restricted net assets. When a temporary restriction has been satisfied, the related temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as "net assets released from restrictions."

When donor restrictions on contributions are satisfied in the same period as the receipt of the contribution, the Organization reports both revenue and the related expense in the unrestricted net asset category.

Grants are received from various governmental agencies and private foundations. The majority of grant funds are used for program related purposes and acquisitions of and improvements to facilities owned by the Organization.

Rental income consists of rents paid by participants in the transitional and affordable housing programs. Rental rates are scaled based on participants' income, and rents are month-to-month.

Grants and Contributions Receivable

Grants receivable are recorded when an obligation from a granting agency is committed in writing and when qualifying expenditures are made in connection with grants that provide for reimbursement of such expenditures.

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

2. Summary of Significant Accounting Policies (Continued)

Contributions receivable are reported at fair value at the date an unconditional promise to give is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management believes that all grants and contributions receivable as of September 30, 2018 and 2017 were fully collectible; therefore, no allowance for doubtful accounts was recorded.

Property and Equipment

Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to be used for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. The Organization has elected to capitalize all property and equipment additions greater than \$500. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Impairment of Long-Lived Assets

The Organization's long-lived assets include land, buildings, and equipment. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the fair value of the related asset. As of September 30, 2018 and 2017, the Organization did not identify any impairment of its long-lived assets.

Functional Allocation of Expenses

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 program and supporting services benefited. Allocations are made based on a combination of time spent by employees on various projects and square footage utilized by each cost center.

Cash and Cash Equivalents

The Organization considers all cash and short-term investments with an original maturity date of three months or less to be cash and cash equivalents.

Investments

Investments and assets held in charitable remainder trust are reported at fair value and consist of mutual funds and money market funds.

Income Taxes

The Organization is exempt from Federal and California income tax under Internal Revenue Code Section 501(c)(3) and similar provisions of the State of California Revenue and Taxation Code.

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

2. Summary of Significant Accounting Policies (Continued)

The Organization evaluates its tax provisions for any potential uncertain tax positions. The Organization does not believe its financial statements include any uncertain tax positions which are not deemed more likely than not to be sustained if challenged. The Organization's federal income tax and informational returns for the fiscal years ended September 30, 2015, and subsequent, remain open for examination by the Internal Revenue Service. The returns for California, the Organization's only state jurisdiction, remain open for examination by the California Franchise Tax Board for the fiscal years ended September 30, 2014, and subsequent.

Management Estimates

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

Donated Goods and Services

Donated goods and services are recorded at their estimated fair values at the date of receipt. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods and services received by the Organization meeting the above criteria were valued at \$934,000 and \$1,063,387 for 2018 and 2017, respectively, most of which related to school supplies and holiday gifts for local families in need, food donated to the food pantry, and other household goods.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This ASU will simplify the face of the financial statements by eliminating the distinction between resources with permanent restrictions and those with temporary restrictions, while at the same time enhancing the footnote disclosures to provide financial statement readers with more useful information about an entity's resources and changes in those resources. This ASU will be effective for fiscal years beginning after December 15, 2017. Management is evaluating the impact of adopting this new ASU on the financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU is intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by non-for-profit organizations. The ASU will address how to characterize grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions), as well as distinguish between conditional and unconditional contributions. This ASU will be effective for fiscal years beginning after December 15, 2018. Management is evaluating the impact of adopting this new ASU on the financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. This ASU is intended to provide specific guidance on the classification and presentation of changes in restricted cash or restricted cash equivalents, particularly from transfers between cash, cash equivalents, and restricted cash or restricted cash equivalents, in the statement of cash flows. This ASU will be effective for fiscal years beginning after December 15, 2018. Management is evaluating the impact of adopting this new ASU on the financial statements.

Reclassifications

Certain amounts in the prior year comparative information have been reclassified to conform to the current year financial statement presentation. These reclassifications have no effect on previously reported net assets.

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

2. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events through February 22, 2019, the date the financial statements were available to be issued.

3. Fair Value of Financial Instruments

The Organization determines the fair values of its investments based on the fair value hierarchy. The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The statement requires fair value measurements to be classified and disclosed in one of the following three categories.

Level 1 - Quoted prices in active markets for identical assets and liabilities, including equity and debt securities and derivative contracts that are traded in an active exchange market.

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

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

The Organization invests in instruments that, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

The investment funds are valued at the closing price reported on the active market on which the individual securities are traded. The following table sets forth by level, within the fair value hierarchy, the Organization's investments and restricted investments at fair value as of September 30:

	<u>2018</u>	<u>2017</u>
	Quoted Prices (Level 1)	Quoted Prices (Level 1)
Investments:		
Money market funds	\$ 1,305	\$ 25,753
Bond funds	910,381	826,057
Equity funds	<u>645,230</u>	<u>635,600</u>
Total investments	<u>\$ 1,556,916</u>	<u>\$ 1,487,410</u>
Assets held in charitable remainder trust:		
Money market funds	\$ 5,512	\$ 5,498
Bond funds	153,158	157,056
Equity funds	<u>256,139</u>	<u>249,462</u>
Total assets held in charitable remainder trust	<u>\$ 414,809</u>	<u>\$ 412,016</u>

The fair value of donated services, food items, rent, and supplies is estimated using third-party quotations and is categorized in Level 2 of the fair value hierarchy.

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

4. Property and Equipment

Property and equipment are summarized as follows at September 30:

	2018	2017
Land	\$ 3,308,751	\$ 3,441,564
Buildings and improvements	5,624,403	5,768,315
Furniture and equipment	347,363	342,273
Autos and trucks	45,000	45,000
Total property and equipment	9,375,222	9,597,152
Accumulated depreciation	(1,719,259)	(1,569,210)
Total property and equipment, net	\$ 7,655,963	\$ 8,027,942

The accounts above include the properties acquired with the grant loans described in Note 5.

As part of the Organization's strategic plan, the Board of Directors authorized on September 26, 2017 the sale of three condominium units which had expired regulatory agreements. During the year ended September 30, 2018, the Organization sold two condominium units in Irvine, California for an aggregate of \$1,038,000, resulting in a total gain on sale of \$832,573. The Board of Directors designated the proceeds to acquire a multi-unit complex to increase much needed access to affordable housing units for families. In November 2018, the remaining condominium unit was sold for \$504,000, resulting in a gain on sale of \$398,222. As of February 22, 2019, the Organization is under contract to purchase an eight-bedroom apartment complex in the city of Costa Mesa for \$3,175,000, and has committed a \$98,250 non-refundable cash deposit. The Organization will use cash from the previously mentioned sales and has received letters of commitment from a bank to finance the balance of the transaction.

The Organization was awarded a capital grant to replace the HVAC units at the Irvine office headquarters. The project was completed in December 2018. The total cost of the project was \$199,107, of which the Organization will be reimbursed \$159,285 from the grant.

5. Restricted Net Assets

Grant Loans

On February 28, 2017, the Organization received two Community Development Block Grant (CDBG) loans from the City of Mission Viejo totaling \$820,000 to fund the purchase of real property to be used for affordable housing rentals for low income and homeless families for a period of 55 years. If, after the 55 year period, the Organization is not in default of the provisions of the grant loans, as defined in the agreements, the grant loans will expire and be of no force or effect on the Organization. In the event the Organization is in default, the total amount of the principal and interest, accrued at 3% per annum, will become immediately due and payable. The CDBG loans are secured by deeds of trust on the properties acquired. The face values of the promissory notes are reported as temporarily restricted net assets, as management considers the likelihood of default and repayment to be remote.

On November 17, 2004, the Organization received a Community Housing Development Organization (CHDO) grant loan from the City of Irvine in the amount of \$183,139 to partially fund the purchase of real property to be used for transitional housing rentals for homeless families for a period of 20 years. If, after the 20 year period, the Organization is not in default of the provisions of the grant loan, as defined in the agreement, the grant loan will expire and be of no force or effect on the Organization. In the event the Organization is in default, a pro rata portion of the grant loan plus accrued interest at 10% per annum will become immediately due and payable. The pro rata amount shall be determined by multiplying \$183,139 times the percentage obtained by dividing the number of

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

5. Restricted Net Assets (Continued)

months remaining on the 20 year term by 240. The grant loan was reported as a temporarily restricted contribution, as management considers the likelihood of default of the provisions of the grant loan to be remote, and is being released from restriction over the 20 years at \$9,156 per year. At September 30, 2018, the unreleased portion of the grant was \$54,949. The CHDO grant loan is secured by a deed of trust on the property. Management believes that the Organization was in compliance with the provisions of the CHDO grant loan as of September 30, 2018.

Charitable Remainder Trust

The Organization has been named trustee and remainder beneficiary of an irrevocable charitable remainder annuity trust, which was created in September 2008. In each taxable year of the trust, during the annuity period, the trustee shall pay the annuity beneficiary an annuity amount equal to 5.76% of the initial fair value of the trust assets. Upon the death of the beneficiary, the remaining trust assets will be distributed to the Organization. The Organization is restricted by the trust agreement to utilize the assets for programs. A noncurrent asset for the charitable remainder trust was recognized at the appraised value of \$360,000 as of September 30, 2008. The present value of the expected future annuity payments discounted at a rate of 5% was recognized as a Liability to Annuity Beneficiary of Charitable Remainder Trust. The components of the charitable remainder trust were as follows at September 30:

	<u>2018</u>	<u>2017</u>
Assets held in charitable remainder trust	\$ 414,809	\$ 412,016
Liability to annuity beneficiary	<u>189,544</u>	<u>198,097</u>
Net residual in temporarily restricted net assets	<u>\$ 225,265</u>	<u>\$ 213,919</u>

The change in assets and liabilities held in charitable remainder trust was comprised of the following for the years ending September 30:

	<u>2018</u>	<u>2017</u>
Investment gain	\$ 23,530	\$ 40,390
Payments to beneficiary from trust	(20,736)	(20,736)
Amortized interest on payments to beneficiary	<u>8,552</u>	<u>7,855</u>
Change in assets and liabilities held in charitable remainder trust	<u>\$ 11,346</u>	<u>\$ 27,509</u>

Net assets were restricted for the following purposes as of September 30:

	<u>2018</u>	<u>2017</u>
Temporarily restricted:		
CHDO grant loan	\$ 54,948	\$ 64,105
CDBG grant loans	820,000	820,000
Charitable remainder trust	225,265	213,919
Contributions for endowment distributions	-	6,000
Contributions with time restrictions	50,000	106,500
Orange County United Way FACE 2024 Housing Grant	<u>75,000</u>	<u>75,000</u>
Total temporarily restricted net assets	<u>\$ 1,225,213</u>	<u>\$ 1,285,524</u>

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

5. Restricted Net Assets (Continued)

Net assets released from restriction consisted of the following during the years ended September 30:

	<u>2018</u>	<u>2017</u>
Satisfaction of restrictions:		
CHDO grant loan	\$ 9,156	\$ 9,156
FACE 2024 - Phase I Housing Grant	75,000	75,000
Time restrictions	106,500	144,000
Endowment distribution	<u>6,000</u>	<u>6,000</u>
Total net assets released from restrictions	<u>\$ 196,656</u>	<u>\$ 234,156</u>

Endowment

Pursuant to a gift agreement dated December 10, 2014, the donors committed to fund an endowment (The Nancy Fund) of \$100,000. The first two \$25,000 endowment installments were received in 2016 and 2015 and the final two \$25,000 installments were received during the year ended September 30, 2017. The donors had also committed to contribute \$6,000 annually, as funds immediately available for use as endowment distributions, until the \$100,000 endowment was fully funded, after which time income from the endowment investments would finance the distributions. The first two \$6,000 contributions were received in February and November 2015, the third contribution was received in December 2016, and the final contribution was received in April 2017. Additionally, investments restricted for permanent endowment of \$115,599 and \$109,270 are included in noncurrent assets in the statements of financial position at September 30, 2018 and 2017, respectively.

The endowment will distribute an annual amount of up to but not more than 5% of its three-year average value (or less, if the endowment has not been in existence for at least three years), for the purpose of supporting children's needs. The original gift amount will be designated as principal and will remain in the endowment in perpetuity to generate future income for distribution. Any distributions from the endowment will be used specifically to allocate direct grants to provide children with funding to enroll in enrichment programs, participate in special occasions, or receive vital fees, equipment, or materials to succeed.

The Organization's long-term investment policy is that no more than 5% of the investment portfolio shall be placed in any one security or fund, with the exception of a money market fund or a broadly diversified mutual fund or exchange-traded fund. As of September 30, 2018, the investment restricted for permanent endowment was comprised of an equity fund that allocates its assets among underlying funds that represent a variety of different asset classes.

The value of the investments restricted for permanent endowment was accounted for as follows:

Endowment fund balance, September 30, 2016	\$ 52,563
Contribution received for endowment	50,000
Contribution received for distribution	12,000
Distributions made	(12,000)
Dividends and interest earned	1,283
Change in value of investments	<u>5,424</u>
Endowment fund balance, September 30, 2017	109,270
Dividends and interest earned	2,058
Change in value of investments	<u>4,271</u>
Endowment fund balance, September 30, 2018	<u>\$ 115,599</u>

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

6. Unrestricted Net Assets

Unrestricted net assets consist of the following as of September 30:

	<u>2018</u>	<u>2017</u>
Investment in property and equipment, net of debt	\$ 6,744,855	\$ 7,143,839
Board designated for:		
Reserves for operations	1,924,497	1,684,933
Reserve for capital purchase	1,038,200	-
Legacy fund	706,636	662,838
Undesignated	<u>177,139</u>	<u>-</u>
Total unrestricted net assets	<u>\$ 10,591,327</u>	<u>\$ 9,491,610</u>

The Organization's Board of Directors has designated a six-month operating reserve, which is computed by taking half of the projected operating expenses of the next fiscal year's budget. The operating reserve provides the Organization with the resources to protect the Organization's operations.

The Organization's Board of Directors established the Legacy Fund in June 2010 to create a source of sustainable income to support and advance the mission of the Organization and to help secure the long-term financial future of the Organization. The intent in establishing the Legacy Fund is to maintain the principal invested and accumulate earnings to grow the fund to a significant reserve to support future operational needs or funding to seize strategic opportunities.

Both of these reserves are Board-designated and could be changed at any time with an approved Board motion to revise these designations for the benefit of the Organization.

7. Note Payable

The \$100,000 note dated September 2015 is secured by a real estate deed of trust, is non-interest bearing, and is payable in 50 annual installments of \$2,000, beginning in 2020. The debt is recorded at the present value of the future payments under the note, discounted using an imputed interest rate of 4.0%. The carrying value of the non-interest bearing note is reported net of unamortized discount of approximately \$64,000 as of September 30, 2018 and 2017.

Future maturities of the note are as follows for the years ending September 30:

2019	\$ -
2020	-
2021	283
2022	294
2023	306
Thereafter	<u>35,278</u>
Total	<u>\$ 36,161</u>

8. Concentrations and Contingencies

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, deposits of up to \$250,000 at FDIC-insured institutions are covered by FDIC insurance. As of September 30, 2018 and 2017, such deposits were in excess of FDIC insurance limits; however, management does not believe the Organization is exposed to any significant related credit risk.

Families Forward, Inc.
Notes to Financial Statements
September 30, 2018 and 2017

8. Concentrations and Contingencies (Continued)

The Organization receives a significant portion of its revenues from government grants and contracts, which are subject to audit by the grant making agency. Until such audits have been completed and final settlements determined, there exists a contingency to refund any amount received in excess of allowable costs. Management believes that no material liability will result from such audits.

Governmental agencies that gave grants for the purchase and rehabilitation of the land and buildings on which the Organization operates its housing programs have liens against the various properties that they could enforce should the Organization cease to operate the properties as low income and homeless housing or sell or otherwise dispose of the properties. Management has no intention to cease operating the properties as low income and homeless housing or to sell or otherwise dispose of the properties.

9. Retirement Plans

In May 1997, the Organization established a tax sheltered annuity retirement plan for qualified employees under Section 403(b) of the Internal Revenue Code. Under the provisions of the plan, the Organization contributes 3% of the employees' salaries. In addition, employees may make voluntary contributions, for which the Organization will match up to an additional 4% of the employees' salaries. The Organization's contributions, charged to expense, were \$143,679 and \$123,439 for 2018 and 2017, respectively.

On October 1, 2004, the Board of Directors established a 457(b) deferred compensation plan for members of the management team. The plan provides for salary reduction only, with no matching provision from the Organization.

10. Funds Held for Claims Administration

In July 2018, a settlement in the amount of \$600,000 was awarded to former residents of a motel in Costa Mesa. As part of the settlement and release agreement, the Organization was appointed as the Claims Administrator for distribution of the settlement funds. In July 2018, the Organization received the total \$600,000 to be distributed to the claimants, which is included in restricted cash and funds held for clients in the statement of financial position as of September 30, 2018. The Organization also received \$12,500 in claims administration fees, which is included in unearned revenue as of September 30, 2018.

Families Forward, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
United States Department of Housing and Urban Development			
<u>Community Development Block</u>			
<u>Grants/Entitlement Grants:</u>			
	14.218		
City of Costa Mesa		FY 2017-2018	\$ 12,111
City of Costa Mesa		B-18-MC-06-0503	4,298
City of Irvine		9755	13,144
City of Irvine		10362	3,895
City of Irvine		9763	9,584
City of Lake Forest		B-17-MC-06-0584-17-04	7,316
City of Lake Forest		B-18-MC-06-0584	3,757
City of Mission Viejo		S0099441	6,067
City of Mission Viejo		B-18-MC-06-0585	2,166
City of Mission Viejo - Loans		Contract # A17-05	820,000
City of Newport Beach		City Grant 2017-2018	10,912
City of Newport Beach		City Grant 2018-2019	2,704
City of Rancho Santa Margarita		B-17-MC-06-0598	5,259
City of Rancho Santa Margarita		B-18-MC-06-0598	1,708
Subtotal	14.218		<u>902,921</u>
<u>Continuum of Care Program*:</u>			
	14.267		
U.S. Department of Housing and Urban Development		CA1350L9D021602	265,886
U.S. Department of Housing and Urban Development		CA1350L9D021703	65,332
Pathways of Hope		CA1231L9D021502	129,187
2-1-1 Orange County		CA1439L9D021601	141,499
County of Orange		18-23-0048-CoC	73,977
Subtotal	14.267		<u>675,881</u>
<u>Emergency Solutions Grant</u>			
	14.231		
Mercy House Living Centers		FY 2017-2018	<u>20,917</u>
Total Expenditures of Federal Awards			<u>\$ 1,599,719</u>

*MAJOR PROGRAM

See accompanying notes to schedule of expenditures of federal awards.

Families Forward, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2018

1. Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Families Forward, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

2. Loan Balances with Continuing Compliance Requirements

Families Forward, Inc. received governmental loans for the acquisition and rehabilitation of real estate. The outstanding loan balances with continuing compliance requirements were \$820,000, which were disbursed during the year ended September 30, 2017.

3. Indirect Cost Rate

The Organization elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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 Audit Committee and Board of Directors of
Families Forward, Inc.
Irvine, 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 Families Forward, Inc. (a California nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 22, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Forward, 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 Families Forward, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Families Forward, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 Families Forward, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

H&K Certified Public Accountants, Inc.

February 22, 2019

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Audit Committee and Board of Directors of
Families Forward, Inc.
Irvine, California

Report on Compliance for Each Major Federal Program

We have audited Families Forward Inc.'s (a California nonprofit organization) (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2018. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Organization 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 September 30, 2018.

Report on Internal Control over Compliance

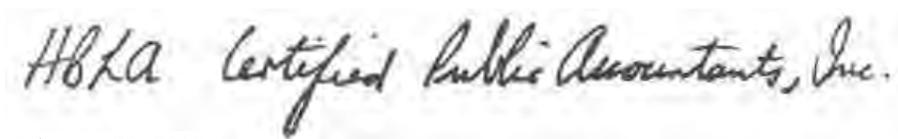
Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are

appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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

The image shows a handwritten signature in black ink that reads "H&K Certified Public Accountants, Inc." The signature is written in a cursive, flowing style.

February 22, 2019

Families Forward, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2018

There were no prior year audit findings or questioned costs relative to federal awards.

Families Forward, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified
Internal control over financial reporting:
Material weakness identified? ___ yes x no
Significant deficiency identified that is
not considered to be a material weakness? ___ yes x no

Noncompliance material to financial statements
noted? ___ yes x no

Federal Awards

Internal control over major programs:
Material weakness identified? ___ yes x no
Significant deficiency identified that is
not considered to be a material weakness? ___ yes x no

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

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR section 200.515(d)(2)? ___ yes x no

Identification of major programs:

CFDA Number Name of Federal Program

14.267 Continuum of Care Program

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

Auditee qualified as low-risk auditee? ___ yes x no

Section II – Findings – Financial Statement Audit

There were no findings relative to the financial statement audit.

Section III – Federal Award Findings and Questioned Costs

There are no major federal award program findings required to be reported under 2 CFR section 200.516(a).