

AGREEMENT
BETWEEN THE CITY OF ESCONDIDO AND
INTERFAITH COMMUNITY SERVICES FOR
THE ALLIANCE FOR REGIONAL SOLUTIONS
CFDA 14.218

FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

This Agreement made and entered into by and between the City of Escondido, a municipal corporation of the state of California, hereinafter "CITY," and Interfaith Community Services, for the Alliance for Regional Solutions, hereinafter "SUBRECIPIENT."

WITNESSETH:

RECITALS:

1. CITY is recipient of funds from the United States Department of Housing and Urban Development (hereinafter "HUD") pursuant to Title I of the Housing and Community Development Act of 1974 (41 U.S.C. 5301-5320) as amended (hereinafter "ACT").
2. CITY has approved the provision of federal funds under the Act to be used by the SUBRECIPIENT as provided in its "Work Plan," attached hereto as Attachment "A" and as further modified by any negotiated Statement of Work.
3. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work.
4. SUBRECIPIENT warrants that it has the expertise and experience to perform the work set forth in the Work Plan and Statement of Work.
5. SUBRECIPIENT represents that it shall perform the work as set forth in the Work Plan and Statement of Work pursuant to the "Budget," attached hereto as Attachment "B" and incorporated herein by reference.
6. CITY shall provide Community Development Block Grant "CDBG" funds to the SUBRECIPIENT in the amount set forth in the Budget, and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and based on the mutual covenants below, the parties hereby agree as follows:

1. The term of this Agreement shall be FY 2019-2020 (July 1, 2019 – June 30, 2020).

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2. Upon the termination or expiration of the term of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of CDBG funds.

A. SUBRECIPIENT OBLIGATIONS

1. Use of Funds. SUBRECIPIENT agrees to use federal funds provided by CITY to SUBRECIPIENT pursuant to the provisions of this Agreement, the Work Plan and Statement of Work, and Budget for said program. SUBRECIPIENT'S failure to perform as required may, in addition to other remedies set forth in this Agreement, result in readjustment of the amount of funds CITY is otherwise obligated to pay to SUBRECIPIENT under Section B hereof.

SUBRECIPIENT agrees to use said funds to pay for necessary and reasonable costs to operate said program. Said amount shall include wages, administrative costs, employee benefits comparable to other similarly situated employees, and other allowable program costs as detailed in the Budget.

If SUBRECIPIENT uses the federal funds provided by CITY for the purpose of acquisition of real property or to reduce the cost of financing of acquisition of real property, there shall be no alteration of the use of the real property so acquired and no additional encumbrances placed on such property during the period of this agreement without the prior written consent of CITY, which consent shall not be unreasonably withheld.

SUBRECIPIENT shall, upon receipt of such federal funds for the purpose of acquiring or improving real property, cause a Deed of Trust, secured by a Promissory Note, to be executed and recorded, in favor of the CITY, for the amount of the federal funds provided by the CITY.

If SUBRECIPIENT uses federal funds provided by the CITY as set out in the preceding paragraph, and further encumbers the real property acquired without first giving notice to the CITY, and obtaining the CITY's written consent, which consent shall not be unreasonably withheld, such action on the part of the SUBRECIPIENT will be cause for termination or revocation of this Agreement and reversion of assets as delineated in paragraph A.(15.) or collection on any Promissory Note executed in favor of the CITY.

2. Statement of Work. SUBRECIPIENT represents that it will negotiate a Statement of Work in accordance with the Work Plan that will include an accurate schedule for performance

and completion of the work. These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.

3. Budget. SUBRECIPIENT represents that the Budget includes only allowable costs and an accurate analysis of costs applicable to CDBG funds pursuant to 24 CFR 570.502, which includes requirements for compliance with the following in addition to other requirements as stated in 2 CFR Part 200 Subpart E – Cost Principles.

These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.

4. Records and Reports. The SUBRECIPIENT shall maintain records and reports as required by Federal Regulation 24 CFR 570.506 and 570.503, 2 CFR Part 200.333-227, and 24 CFR 85.32-34 which may include but are not limited to:

- a. Records.

- (1) Documentation providing a full description of the activity undertaken.
 - (2) Documentation demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program.
 - (3) Documentation of the number, race and income level of persons and/or families participating in or benefiting the SUBRECIPIENT'S program.
 - (4) Documentation of all CDBG funds received from CITY.
 - (5) Documentation of expenses as identified in the Budget.
 - (6) Property and equipment acquisition, management and disposition documentation.
 - (7) Any such other related records as CITY shall require.

- b. Reports.

- (1) Payment Request/Invoice
 - (2) Quarterly Performance and Demographic Reports
 - (3) Final Evaluation Report
 - (4) Any such other reports as CITY shall reasonably require.

5. Program Income. Transfers of grant funds by the City to the SUBRECIPIENT shall be adjusted according to the principles described in 24 CFR 570.504(b)(2), and 24 CFR 570.504(c). Any program income on hand when this Agreement expires, or

received after this Agreement's expiration, shall be paid to the CITY as required by Section A.15 of this Agreement and 24 CFR 570.503(b)(8).

6. Uniform Administrative Requirements. The SUBRECIPIENT shall comply with applicable uniform administrative requirements as described in 24 CFR 570.502, 2 CFR Part 200, and 24 CFR 570 Subpart K.
7. Separation of Accounts. All funds received by SUBRECIPIENT from City pursuant to this Agreement shall be maintained separate and apart from any other fund of SUBRECIPIENT or of any principal or member of SUBRECIPIENT in an account in a federally insured banking or savings and loan institution. No monies shall be withdrawn from such account except for expenditures authorized by this Agreement.
8. Retention of Records. All accounting records and evidence pertaining to all costs of SUBRECIPIENT and all documents related to this Agreement shall be kept available at SUBRECIPIENT'S office or place of business for the duration of the Agreement and thereafter for three (3) years after completion of an audit. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and expenses of this Agreement to which CITY or any other governmental agency takes exception, shall be retained beyond the three (3) years until resolution or disposition of such appeals, litigation claims, or exceptions.
9. Compliance with Applicable Laws. SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits including but not limited to federal CDBG financial and contractual procedures, and 2 CRF Part 200, as set forth in 24 CFR 570.502(b). Said federal documents are on file in the City of Escondido Community Development Block Grant Division, 201 N. Broadway, Escondido, CA 92025, and are incorporated herein by reference. The SUBRECIPIENT shall secure any new permits required by authorities herein with jurisdiction over the project, and shall maintain all presently required permits. The SUBRECIPIENT shall ensure that the requirements of the California Environmental Quality Act are met for any permits or other entitlements required to carry out the terms of this Agreement.

SUBRECIPIENT agrees to comply fully with all applicable federal, state and local laws, ordinances, regulations, and permits regarding provision of services to non-U.S. citizens.

No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of an agency, a

Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

10. Affirmative Action Policy.

a. Provision of Program Services.

- (1) SUBRECIPIENT shall not, on the ground of race, color, national origin, sex or disability, exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity funded in whole or in part with CDBG funds.
- (2) SUBRECIPIENT shall not, under any program or activity funded in whole or in part with CDBG funds, on the ground of race, color, national origin, sex or disability:
 - (a) Deny any facilities, services, financial aid or other benefits provided under the program or activity.
 - (b) Provide any facilities, services, financial aid or other benefits which are different or are provided in a different form from that provided to others under the program or activity.
 - (c) Subject to segregated or separate treatment in any facility in, or in any matter of process related to receipt of any service or benefit under the program or activity.
 - (d) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits under the program or activity.

- (e) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition which the individual must meet in order to be provided any facilities, services or other benefit provided under the program or activity as an employee.
 - (f) Deny an opportunity to participate in a program or activity as an employee.
- (3) SUBRECIPIENT may not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination on the basis of race, color, national origin, sex or disability, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program or activity with respect to individuals of a particular race, color, national origin, sex or disability.
- (4) SUBRECIPIENT, in determining the site or location of housing or facilities provided in whole or in part with CDBG funds, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, national origin, sex or disability, or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Civil Rights Act of 1964 and amendments thereto.
- (5) (a) In administering a program or activity funded in whole or in part with CDBG funds regarding which the SUBRECIPIENT has previously discriminated against persons on the ground of race, color, national original, sex or disability, the SUBRECIPIENT must take affirmative action to overcome the effects of prior discrimination.
- (b) Even in the absence of such prior discrimination, a SUBRECIPIENT in administering a program or activity funded in whole or in part with CDBG funds should take affirmative action to overcome the effects of conditions which would otherwise result in limiting participation by persons of a particular race, color, national origin, sex or disability, to exclude individuals from participation in, to deny them the benefits of, or to subject them to discrimination under any program or activity to which CDBG funding applies, the SUBRECIPIENT has an obligation to

take reasonable action to remove or overcome the consequences of the prior discriminatory practice or usage, and to accomplish the purpose of the Civil Rights Act of 1964.

- (c) A SUBRECIPIENT shall not be prohibited by this part from taking any eligible action to ameliorate any imbalance in services or facilities provided to any geographic area or specific group of persons within its jurisdiction where the purpose of such action is to overcome prior discriminatory practice or usage.
- (6) Notwithstanding anything to the contrary in Sections A.10.a(1-5), nothing contained herein shall be construed to prohibit any SUBRECIPIENT from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

b. Employment Discrimination.

- (1) SUBRECIPIENT shall not discriminate against any employee or application for employment because of race, color, religion, sex, national origin, age or disability. SUBRECIPIENT shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training including apprenticeship. SUBRECIPIENT agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- (2) SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of SUBRECIPIENT, state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, national origin, age or disability.
- (3) SUBRECIPIENT shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contractor

understanding, a notice to be provided by CITY'S contracting officers advising the labor union or workers' representative of SUBRECIPIENT'S commitments under Section 202 of Executive Order No. 11246 of September 14, 1965, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.

- (4) SUBRECIPIENT shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) SUBRECIPIENT shall furnish to the CITY all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the related rules, regulations, and orders.
- (6) In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) SUBRECIPIENT shall include the provisions of Section A.10.B, "Affirmative Action Policy," Paragraphs 1 through 6, in every subcontract or purchase order unless exempted by rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. SUBRECIPIENT shall take such action with respect to any subcontractor or purchase order as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the CITY, SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

(8) SUBRECIPIENT shall not discriminate on the basis of age in violation of any provision of the Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*) or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

SUBRECIPIENT shall also provide ready access to and use of all CDBG fund assisted buildings and programs to qualified persons with disabilities in compliance with the Americans with Disabilities Act of 1990.

(9) SUBRECIPIENT will provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

(b) Establishing an ongoing drug-free awareness program to inform employees about:

- 1) The dangers of drug abuse in the workplace.
- 2) The grantee's policy of maintaining a drug-free workplace.
- 3) Any available drug counseling, rehabilitation, and employee assistance programs.
- 4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a).

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will:

- 1) Abide by the terms of the statement.
- 2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.

(e) Notifying the agency, in writing, within ten (10) calendar days after receiving notice under subparagraph (d)(2) from an employee or

otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.

- (f) Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:

1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended;

OR

2) Requiring such employee to participate satisfactorily in a drug-abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a)-(f).

- (h) "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15).

"Conviction" means a finding of guilt (through a plea of nolo contendre) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes.

"Criminal drug statute" means a federal or nonfederal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance.

"Employee" means the employee of a SUBRECIPIENT directly engaged in the performance of work under this contract including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their

impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under this contract and who are not on the SUBRECIPIENT'S payroll. This definition does not include workers not on the payroll of the SUBRECIPIENT (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the payroll; or employees of SUBRECIPIENTS or subcontractors in covered workplaces).

- c. Remedies. In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, the CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts and any such other sanctions as may be imposed and remedies invoked as provided by law.
11. Ineligibility of Subrecipients of Contractors. SUBRECIPIENT shall not use CDBG funds directly or indirectly in its operations or to employ, award contracts to, or otherwise engage the services of, or fund any contractor during any period of debarment, suspension, or placement in ineligibility status of the SUBRECIPIENT or such contractor under the provisions of 24 CFR Part 24.
12. Conflict of Interest. In the procurement of supplies, equipment, construction and services by SUBRECIPIENT, the conflict of interest provisions in 2 CFR Part 200.317-326 and 24 CFR 570.611 shall apply.
13. Condition for Religious Organization. SUBRECIPIENT shall comply with all applicable conditions prescribed in 24 CFR 570.200(j) and by HUD for the use of CDBG funds by religious organizations if SUBRECIPIENT is a religious organization.
14. Suspension and Termination. In accordance with 24 CFR 85.43, suspension or termination may occur if SUBRECIPIENT materially fails to comply with any term of this Agreement and/or the award, of this Agreement and/or the award may be terminated for convenience in accordance with 24 CFR 85.44.
15. Reversion of Assets. Upon termination or expiration of the term of this Agreement, the SUBRECIPIENT shall transfer to the CITY any CDBG funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of CDBG funds. Any real property under the SUBRECIPIENT'S control that was acquired or improved in whole or in part with CDBG funds shall either be:

- a. Used to meet one of the national objectives stated in 24 CFR 570.208 until five (5) years after termination or expiration of this Agreement, or for such longer periods of time as determined to be appropriate by the CITY; or
 - b. Disposed of in a manner that results in the CITY'S being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Reimbursement to the CITY shall not be required after the period of time specified in Section A.15.a of this Agreement.
16. Independent Contractor. SUBRECIPIENT agrees that the performance of obligations hereunder are rendered in its capacity as an independent contractor and that it is in no way an employee or agent of the CITY.
17. Licensing. SUBRECIPIENT agrees to obtain and maintain all licenses, registrations, accreditations, and inspections from all agencies governing its operations. SUBRECIPIENT shall insure that its staff shall also obtain and maintain all required licenses, registrations, accreditations, and inspections from all agencies governing SUBRECIPIENT'S operations hereunder.
18. Inspection of Records. CITY and the United States government and/or their representatives shall have access for purposes of monitoring, auditing, and examining SUBRECIPIENT'S activities and performance, to books, documents and papers, and the right to examine records of SUBRECIPIENT'S subcontractors, bookkeepers and accountants, employees and participants in regard to said program. CITY and the United States government and/or their representative shall also schedule on-site monitoring at their discretion. Monitoring activities may also include, but are not limited to, questioning employees and participants in said program and entering any premises or any site in which any of the services or activities funded hereunder are conducted or in which any of the records of SUBRECIPIENT are kept. Nothing herein shall be construed to require access to any privileged or confidential information as set forth in federal or state law. SUBRECIPIENT agrees to provide notification of any audits or investigations, including copies of results, findings, and/or liens.

In the event SUBRECIPIENT does not make the above-referenced documents available within the City of Escondido, California, SUBRECIPIENT agrees to pay all necessary and reasonable expenses incurred by CITY in conducting any audit at the location where said records and books of account are maintained.

19. Assignability. SUBRECIPIENT shall not assign or transfer any interest in this Agreement, whether by assignment, delegation or novation, without the prior written consent of CITY; provided, however, that claims for money due or to become due to SUBRECIPIENT from CITY under this Agreement may be assigned to a bank, trust company or other financial institution, or to a trustee in bankruptcy, without such approval. Any assignment, delegation or novation other than as provided above shall be void and inoperative. Notice of any proper assignment or transfer shall be promptly furnished to CITY.

20. Hold Harmless.

- a. SUBRECIPIENT shall indemnify and save harmless CITY, its officers and employees, from and against any and all damages to property or injuries to or death of any person or persons, including property and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings of any kind or nature, including, but not by way of limitation, workers' compensation claims, resulting from or arising out of the negligent acts, errors or omissions of SUBRECIPIENT, its employees or subcontractors.
- b. SUBRECIPIENT, shall indemnify and save harmless CITY, its officers, and employees from and against any and all damages to property or injuries to or death of any person or persons, including property, and employees or agents of CITY, and shall defend, indemnify and save harmless CITY, its officers, and employees from and against any and all claims, demands, suits, actions or proceedings therefrom, resulting from or arising out of the intentional or malicious acts of SUBRECIPIENT, its employees or subcontractors.

21. Insurance.

- a. The SUBRECIPIENT shall secure and maintain at its own cost, for all operations, the following insurance coverage, unless reduced by the City Attorney:
 - (1) General liability insurance. Occurrence basis with minimum limits of \$1,000,000 each occurrence, \$2,000,000 General Aggregate, and \$1,000,000 Products/Completed Operations Aggregate; and
 - (2) Automobile liability insurance of \$1,000,000 combined single-limit per accident for bodily injury and property damage, unless waived as provided in 21(b) below; and

- (3) Workers' compensation and employer's liability insurance as required by the California Labor Code, as amended, or certificate of sole proprietorship; and
- (4) Errors and Omissions professional liability insurance with minimum coverage of \$1,000,000.

b. It is the parties' understanding that the use of a motor vehicle is not a primary subject of this Agreement. SUBRECIPIENT acknowledges that operating a motor vehicle is outside the scope of this Agreement and occurs only at the convenience of the SUBRECIPIENT. A waiver of automobile liability insurance is only effective if both sets of initials appear below, otherwise such **insurance** is required.

Acknowledged by SUBRECIPIENT 

Waiver appropriate by CITY _____

- c. Each insurance policy required above must be acceptable to the City Attorney.
 - (1) Each policy must provide for written notice within no more than thirty (30) days if cancellation or termination of the policy occurs. Insurance coverage must be provided by an A.M. Best's A- rated, class V carrier or better, admitted in California, or if non-admitted, a company that is not on the Department of Insurance list of unacceptable carriers.
 - (2) All non-admitted carriers will be required to provide a service of suit endorsement in addition to the additional insured endorsement.
 - (3) Both the General Liability and the Automobile Liability policies must name the CITY specifically as an additional insured under the policy on a separate endorsement page. The CITY includes its officials, employees, and volunteers. The endorsement must be ISO Form CG 20 10 11 85 edition or its equivalent for General Liability endorsements and CA 20 01 for Automobile Liability endorsements.
 - (4) The General Liability policy must include coverage for bodily injury and property damage arising from SUBRECIPIENT'S work, including its on-going operations and products-completed operations hazard.
 - (5) The General Liability policy must be primary and noncontributory and any insurance maintained by CITY is excess.

d. In executing this Agreement, SUBRECIPIENT agrees to have completed insurance documents on file with the CITY within fourteen (14) days after the date of execution. Failure to comply with insurance requirements under this Agreement will be a material breach of this Agreement, resulting in immediate termination at CITY's option.

B. CITY OBLIGATIONS

1. Payment of Funds. CITY shall pay to SUBRECIPIENT from CDBG funds, when, if and to the extent received from HUD, amounts expended by SUBRECIPIENT in carrying out said program pursuant to this Agreement up to a maximum aggregate payment of \$45,000 in installments determined by CITY. Payment shall be made to SUBRECIPIENT through the submission of monthly invoices, in a form prescribed by CITY, detailing such expenses. CITY shall pay such invoices within thirty (30) days after receipt thereof, provided CITY is satisfied that such expenses have been incurred within the scope of this Agreement and that SUBRECIPIENT is in compliance with the terms and conditions of this Agreement, including 2 CFR Part 200 Subpart F.
2. Audit of Account. CITY shall include an audit of the account maintained by SUBRECIPIENT pursuant to Section A.8 of this Agreement in CITY'S annual audit of all CDBG funds pursuant to federal regulations found in Title 24 of the Code of Federal Regulations and other applicable federal laws and regulations.

C. MISCELLANEOUS PROVISIONS.

1. Termination of Agreement. CITY or SUBRECIPIENT may terminate this Agreement by giving written notice to the other party thirty (30) days prior to the effective date of termination. Additionally, the CITY shall have the right, in accordance with 24 CFR 85.43, to terminate this Agreement immediately or withhold payment of any invoice for failure of the SUBRECIPIENT to comply with the terms and conditions of this Agreement. Should the CITY decide to terminate this Agreement after a full evaluation of all circumstances has been completed, the SUBRECIPIENT shall, upon written request, have the right to an appeal process. A copy of the appeal process will be attached to any termination notice.
If the CITY finds that the SUBRECIPIENT has violated the terms and conditions of this Agreement, the SUBRECIPIENT may be required to:
 - a. repay all monies received from the CITY under this Agreement; and/or

- b. transfer possession of all materials and equipment purchased with grant money to the CITY.

In the case of early termination, a final payment may be made to the SUBRECIPIENT upon receipt of a final payment may be made to the SUBRECIPIENT upon receipt of a Final Report and invoices covering eligible costs incurred prior to termination. The total of all payments, including the final payment, shall not exceed the amount specified in this Agreement.

3. Notices. All notices to the parties required by this Agreement shall be in writing and addressed as follows:

TO CITY: City of Escondido
 Housing and Neighborhood Services Division
 201 N. Broadway
 Escondido, CA 92025

TO SUBRECIPIENT: Alliance for Regional Solutions
 550 West Washington Ave
 Escondido, CA 92025

3. Exclusivity and Amendment of Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the services of SUBRECIPIENT and provision of CDBG funds by CITY and contains all the covenants and agreements between the parties with respect to the conditions of said services and funding in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement or amendment hereto shall be effective unless executed in writing and signed by both CITY and SUBRECIPIENT.
4. Laws Governing This Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state of California, all applicable federal statutes and regulations as amended, and all applicable local laws.
5. Severability. The invalidity in whole or in part of any provision of this agreement shall not void or affect the validity of any other provisions of this Agreement.
6. Construction of Agreement. The provisions of this Agreement and its Exhibits shall be construed as a whole. The captions preceding the text of each section are included only for

convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

7. Immigration Reform and Control Act of 1986. SUBRECIPIENT shall keep itself informed of and comply with the Immigration Reform and Control Act of 1986. SUBRECIPIENT affirms that as an employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will be employed on this public project. SUBRECIPIENT agrees to comply with such provisions before commencing and continuously throughout the performance of this Agreement.

IN WITNESS WHEREOF, CITY and SUBRECIPIENT have caused this Agreement to be executed by their duly authorized representatives.

SUBRECIPIENT

By 

Date: 8/28/19

Chief Executive Officer

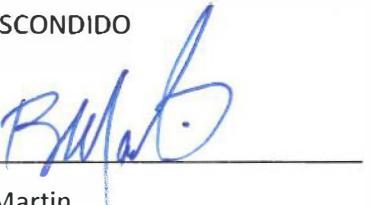
By 

Date: 8/28/19

President of Board of Directors

(above signatures must be notarized)

CITY OF ESCONDIDO

By 

Date: 9/23/19

Bill Martin

Director of Community Development

By 

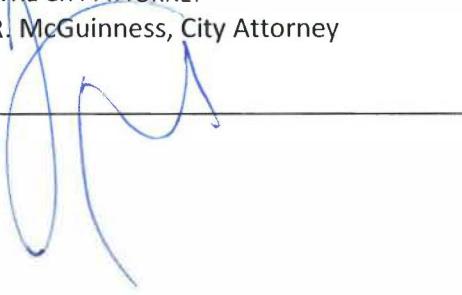
Date: 9/23/19

Zachary Beck, City Clerk

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

Michael R. McGuinness, City Attorney

By: 

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)
On 6/28/2019 before me, Irmgard M. Ryan, Notary,
Date Here Insert Name and Title of the Officer
personally appeared Greg Angela and Margaret Becker
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Irmgard M. Ryan
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: ARS Contract Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

ATTACHMENT A
Project Workplan
Fiscal Year 2019-2020

Organization: Alliance for Regional Solutions

Project Title: Bridge to Housing Network

Goal Statement: Provide 180 homeless individuals with not only a safe haven, but also with the tools and motivation necessary to move them towards self-sufficiency and their maximum level of independent and responsible functioning. By doing this, the Bridge to Housing Network works towards bridging clients out of homelessness and into their own permanent homes.

Objective: One—By June 30, 2020, the Bridge to Housing Network will provide shelter for a minimum of 180 homeless community members.

Key Activities	Date
Outreach to homeless populations and providers serving the homeless	July 1, 2019-June 30, 2020
Screen all applicants for eligibility	July 1, 2019-June 30, 2020
Enter all client into CES and complete VI-SPDAT assessment on clients who are eligible	July 1, 2019-June 30, 2020
Provide shelter orientation and offer all eligible-related services	July 1, 2019-June 30, 2020

ATTACHMENT A
Project Workplan
Fiscal Year 2019-2020

Organization: Alliance for Regional Solutions

Project Title: Bridge to Housing Network

Goal Statement: Provide 180 homeless individuals with not only a safe haven, but also with the tools and motivation necessary to move them towards self-sufficiency and their maximum level of independent and responsible functioning. By doing this, the Bridge to Housing Network works towards bridging clients out of homelessness and into their own permanent homes.

Objective: Two—By June 30, 2020, 90% of these homeless community members will be offered to be case-managed social services focused on permanent housing.

Key Activities	Date
Offer weekly case management and supportive services	July 1, 2019-June 30, 2020
Develop individualized service plan for those clients accepting case management, to identify and work towards client goals around housing and self-sufficiency	July 1, 2019-June 30, 2020
Assist clients with obtaining all required identification documents for housing	July 1, 2019-June 30, 2020
Provide referrals/placement to long term housing programs	July 1, 2019-June 30, 2020
Provide referrals to community resources and supports as needed	July 1, 2019-June 30, 2020
Provide access/referrals to employment services	July 1, 2019-June 30, 2020
Provide job search assistance	July 1, 2019-June 30, 2020
Conduct weekly case conferencing with all shelter staff to review those clients in case management and their barriers to achieving housing goals	July 1, 2019-June 30, 2020

ATTACHMENT A
Project Workplan
Fiscal Year 2019-2020

Organization: Alliance for Regional Solutions

Project Title: Bridge to Housing Network

Goal Statement: Provide 180 homeless individuals with not only a safe haven, but also with the tools and motivation necessary to move them towards self-sufficiency and their maximum level of independent and responsible functioning. By doing this, the Bridge to Housing Network works towards bridging clients out of homelessness and into their own permanent homes.

Objective: Three—By June 30, 2020, 40% of these homeless community members will exit to a stable housing destination.

Key Activities	Date
Provide weekly case management and supportive services	July 1, 2019-June 30, 2020
Assist clients with obtaining all required identification documents for housing	July 1, 2019-June 30, 2020
Follow up weekly on client's individualized service plan, and monitor progress towards client goals around housing and self-sufficiency	July 1, 2019-June 30, 2020
Provide referrals/placement to long term housing programs and advocate and help facilitate successful housing placement	July 1, 2019-June 30, 2020
Provide referrals to community resources and supports as needed	July 1, 2019-June 30, 2020
Provide access/referrals to employment Services	July 1, 2019-June 30, 2020
Provide job search assistance	July 1, 2019-June 30, 2020
Conduct weekly case conferencing with all shelter staff to review client's barriers to achieving housing goals	July 1, 2019-June 30, 2020

ATTACHMENT B

BUDGET

Fiscal Year 2019-2020

Organization: Alliance for Regional Solutions

Project Title: Bridge to Shelter Network

ITEM	ESCONDIDO FUNDING	OTHER FUNDS		PROJECT TOTAL
		AMOUNT	SOURCE	
Personnel				
PERSONNEL				
Salaries: \$34,079.8				
1. Project Coordinator, \$4,300/month @ 5% for 12 months = \$2,580	2,580	49,020		51,600
2. Shelter Manager, \$4,475/month @ 10% for 12 months = \$5,370	5,370	48,330	State ESG, EFSP, private donations,	53,700
3. Resident Coordinator(s), \$2,687/month @ 25% for 12 months = \$8,131	8,131	24,113		32,244
4. Intake Specialist, \$2,773/month @ 20% for 12 months = \$6,655.2	6,655.20	26,620.80		33,276
5. Case Manager, \$3,151 @ 30% for 12 months = \$11,343.60	\$11,343.60	26,470.40		33,376
Benefits:				
33% of salaries for personnel #1-5	\$10,920.2	56,464.48	Alliance for Regional Solutions (ARS), Funding from other North County cities	67,384.68
Other Bridge to Housing Network Salaries and Benefits	0	1,459,439.32		1,459,439.32
Total Salaries and Benefits	45,000.00	1,690,458		1,735,458
OPERATING EXPENSES:				
1. Direct Client Supportive Services (meals, hygiene, bus passes)	0	176,720	Alliance for Regional Solutions (ARS), State ESG, EFSP, private donations, Funding from other North County cities	176,720
2. Occupancy expenses and insurance	0	467,437		467,437
3. Other expenses	0	79,541		79,541
Total	\$45,000	\$2,414,156		\$2,459,156

BUDGET NARRATIVE-BRIDGE TO HOUSING NETWORK

The total cost of providing bridge housing and related services through the Alliance for Regional Solutions and Haven House is \$2,459,156. This proposal respectfully requests \$45,000 in CDBG funding from the City of Escondido. Alliance for Regional Solutions has also applied and secured additional funding from other North County Cities to support the Bridge to Housing Network, including Haven House, located in Escondido. Haven House is also funded by State ESG, San Diego Emergency Food and Shelter Program (EFSP), and private donations to Interfaith Community Services.

Expenses:

Personnel:

Salaries: Salaries and benefits include all shelter staff for all six shelters in the Bridge to Housing Network, a total of \$1,735,458. The full salaries for each of the positions included in this proposal are below.

1. Project Coordinator - Provides administrative support to the Bridge to Housing Network and conducts on-site reviews to ensure compliance with contracts.
\$4,300/month @ 5% for 12 months = \$2,580. Full annual cost is \$51,600.
2. Shelter Manager - Provides day to day management and oversight for shelter
\$4,475/month @ 10% for 12 months = \$ 5,370. Full annual cost is \$53,700.
3. Resident Coordinator(s) - Provide operations support and overnight coverage
\$2,687/month @ 50% for 12 months = \$16,262. Full annual cost is \$32,244.
4. Intake Specialist - Conducts screening and intakes for all potential and new shelter residents
\$2,773/month @ 30% for 12 months = \$9,982.80. Full annual cost is \$33,276.
5. Case Manager - Provides case management to shelter residents focused on permanent housing.
\$3,151/month @ 30% for 12 months = \$11,343.60. Full annual cost is \$33,376.

Benefits:

Includes health and dental, social security, disability insurance, and life insurance. Estimated at 33% of salaries. $\$34,079.80 \times 0.33 = \$10,920.2$; the balance of this is included under "Other Funds"

Operating Expenses:

1. Direct Client Supportive Services (meals, hygiene, bus passes) - \$176,720 is the full annual cost for this line item.
2. Occupancy expenses and insurance - \$467,437 is the full annual cost for this line item.
3. Other expenses - \$79,541 is the total for all other expenses, including the full annual cost for the Bridge to Housing Network annual report.

AFFIRMATIVE ACTION PLAN

SUBRECIPIENT: Interfaith Community Services, Inc.

STREET ADDRESS: 550 West Washington Ave.

CITY, STATE, ZIP: Escondido, CA 92025

TELEPHONE NUMBER: (760) 489-6380

IRS/ID: 95-3837714

1. The SUBRECIPIENT named above is committed to a policy of Affirmative Action to ensure Equal Employment Opportunity in response to Executive Order 11246 and relevant requirements adopted by the City.
2. The official designated by the named SUBRECIPIENT to be Equal Employment Officer is: Dennis Haggard.
3. The named SUBRECIPIENT will document fully its affirmative actions which will be at least as extensive as the following:
 - a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and in all facilities at which the SUBRECIPIENT's employees are assigned to work. The SUBRECIPIENT, where possible, will assign two (2) or more women to each construction project. The SUBRECIPIENT shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of, and carry out, the SUBRECIPIENT's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
 - b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the SUBRECIPIENT or its unions have employment opportunities available and maintain a record of the organizations' responses.
 - c. Maintain a current file on the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the SUBRECIPIENT by the union or, if referred, not employed by the SUBRECIPIENT, this shall be documented in the file with the reason therefor, along with whatever additional actions the SUBRECIPIENT may have taken.
 - d. Provide immediate written notification to the Director when the union or unions with which the SUBRECIPIENT has a collective bargaining agreement has not referred to the SUBRECIPIENT a minority person or woman sent by the SUBRECIPIENT, or when the SUBRECIPIENT has

AFFIRMATIVE ACTION PLAN

other information that the union referral process has impeded the SUBRECIPIENT's efforts to meet its obligations.

- e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the SUBRECIPIENT's employment needs, especially those programs funded or approved by the Department of Labor. The SUBRECIPIENT shall provide notice of these programs to the sources compiled under (b) above.
- f. Disseminate the SUBRECIPIENT's Equal Employment Opportunity policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the SUBRECIPIENT in meeting its Equal Employment Opportunity obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year and by posting the company Equal Employment Opportunity policy on bulletin boards accessible to all employees at each location where construction work is performed.
- g. Review, at least annually, the company's Equal Employment Opportunity Policy and Affirmative Action obligations under these Specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed and disposition of the subject matter.
- h. Disseminate the SUBRECIPIENT's Equal Employment Opportunity policy externally by including it in any advertising in the news media, specifically including minority and female news media and providing written notification to and discussing the SUBRECIPIENT's Equal Employment Opportunity policy with other SUBRECIPIENTS and Subcontractors with whom the SUBRECIPIENT does, or anticipates doing business.
- i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the SUBRECIPIENT's recruitment area and employment needs. Not later than one (1) month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the SUBRECIPIENT shall send written notification to organizations such as the above, describing the openings, screening procedures and tests to be used in the selection process.
- j. Encourage present minority and female employees to recruit other minority persons and women and where reasonable, provide after-school, summer

AFFIRMATIVE ACTION PLAN

and vacation employment to minority and female youth, both on the site and in other areas of a SUBRECIPIENT's workforce.

- k. Validate all tests and other selection requirements where there is an obligation to do so.
 - l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
 - m. Ensure that seniority practices, job classifications, work assignments and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment-related activities to ensure that the Equal Employment Opportunity policy and the SUBRECIPIENT's obligations under these Specifications are being carried out.
 - n. Ensure that all facilities and company activities are non-segregated except that separate and single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
 - o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female Construction SUBRECIPIENTS and Suppliers, including circulation of solicitations to minority and female SUBRECIPIENT Associations and other business associations.
 - p. Conduct a review, at least annually, of all supervisors' adherence to and performance under the SUBRECIPIENT's Equal Employment Opportunity policy and Affirmative Action obligations.
4. SUBRECIPIENTs and SubSUBRECIPIENTs shall maintain all required records for a period of three years, or until audited, and permit access by City to all such records.

Signed: 
Equal Employment Officer

Print: Dennis Haga

Dated: 6/27/19

Signed: 
Authorized Officer/Title

Print: Greg Angulo, CEO

Dated: 6/28/19

CERTIFICATION FOR CONTRACTS: HUD SECTION 3 REGULATIONS

THE CONTRACTOR, SUBCONTRACTOR, SUBRECIPIENT, OWNER, DEVELOPER, NONPROFIT, OR SERVICE PROVIDER BY HIS/HER SIGNATURE(S) AFFIXED HERETO DECLARES UNDER PENALTY OF PERJURY OR NON-COMPLIANCE ENFORCEMENT THAT:

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701(u) (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Date

6/28/19


Contractor's/Officer's Signature
(notary required)

Date

6/28/19

Print Contractor's/Officer's Name and Title

Project

Note: The person signing must be authorized by owner, developer or contractor to carry out the Contractor's Section 3 Area Economic Opportunity Plan.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Diego)On 6/28/2019 before me,

Date

personally appeared Greg AngleaIrmgard M. Ryan, Notary

Here Insert Name and Title of the Officer

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Irmgard M. Ryan
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached DocumentTitle or Type of Document: ARS Contract Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Signer's Name: _____

 Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____ Partner — Limited General Partner — Limited General Individual Attorney in Fact Individual Attorney in Fact Trustee Guardian or Conservator Trustee Guardian or Conservator Other: _____ Other: _____

Signer Is Representing: _____

Signer Is Representing: _____

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
Interfaith Community Services, Inc	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.	
<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ <small>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small> <input type="checkbox"/> Other (see instructions) ► _____	
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
5 Address (number, street, and apt. or suite no.) See instructions. 550 W Washington Ave	
6 City, state, and ZIP code Escondido, CA 92025	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number		
[]	-	[] - [] [] []
or		
Employer identification number		
9	5	- 3 8 3 7 7 1 4

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ►

Date ►

8/6/18

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.



CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER North County Insurance P. O. Box 907 Escondido, CA 92033-0907 House Account		CONTACT NAME: House Account PHONE (AC. No. Ext): 760-745-9511 E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Ins. Co INSURER B: Beazley Insurance INSURER C: INSURER D: INSURER E: INSURER F:	NAIC #
INSURED	Interfaith Community Services, Inc. 550 W. Washington Ave. STE B Escondido, CA 92025-1629		

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**
 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSD	SUBR W/D	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		X	PHPK1855769	08/01/2018	08/01/2019	EACH OCCURRENCE	\$ 1,000,000
A	X Sexual Misconduct			PHPK1855769	08/01/2018	08/01/2019	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
	X Each Occ/Agg			PHPK1855769			MED EXP (Any one person)	\$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:						PERSONAL & ADV INJURY	\$ 1,000,000
	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X HIRED AUTOS	<input type="checkbox"/> <input checked="" type="checkbox"/>	SCHEDULED AUTOS NON-OWNED AUTOS	PHPK1855769	08/01/2018	08/01/2019	GENERAL AGGREGATE	\$ 3,000,000
	EXCESS LIAB	<input checked="" type="checkbox"/>	OCCUR				PRODUCTS - COMP/OP AGG	\$ 3,000,000
	EXCESS LIAB		CLAIMS-MADE					\$
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/>	N / A				BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
A	Professional			PHPK1855769	08/01/2018	08/01/2019	PER STATUTE	OTHE-R
B	Cyber			W22FE0180101	08/01/2018	08/01/2019	E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Escondido, its officials, employees and volunteers are named as additional insured per attached form CG 2010

CERTIFICATE HOLDER

CANCELLATION

CITY OF City of Escondido Community Services Dept. 201 N Broadway Escondido, CA 92025	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Melissa Thomas</i>



CERTIFICATE OF LIABILITY INSURANCE

INTER-6 OP ID: MT

DATE (MM/DD/YYYY)

08/21/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERNS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER North County Insurance P. O. Box 907 Escondido, CA 92033-0907 House Account		CONTACT NAME: House Account
		PHONE (AVC, No. Ext): 760-745-9511
		FAX (AVC, No): 760-745-9157
		S:
		INSURER(S) AFFORDING COVERAGE
		INSURER A: Philadelphia Indemnity Ins. Co
		NAIC #: 18058
INSURED	Interfaith Community Services, Inc. 550 W. Washington Ave. STE B Escondido, CA 92025-1629	INSURER B: Beazley Insurance
		INSURER C:
		INSURER D:
		INSURER E:
		INSURER F:

COVERAGE **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L/SUB'R INSD WVO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	X COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	PHPK2016457	08/01/2019	08/01/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA occurrence) \$ 100,000
A	X Sexual Misconduct		PHPK2016457	08/01/2019	08/01/2020	MED EXP (Any one person) \$ 10,000
A	Each Occ		PHPK2016457	08/01/2019	08/01/2020	PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$ 3,000,000
	X POLICY <input type="checkbox"/> PRO- JECT <input type="checkbox"/> LOC					PRODUCTS - COMP/OP AGG \$ 3,000,000
	OTHER:					\$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	PHPK2016457	08/01/2019	08/01/2020	COMBINED SINGLE LIMIT (EA accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE		PHUB640154	08/01/2019	08/01/2020	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000					
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under <input checked="" type="checkbox"/> DESCRIPTION OF OPERATIONS below	N/A				PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional		PHPK2016457	08/01/2019	08/01/2020	Occ/Agg 1M/3M
B	Cyber		W22FE0190201	05/08/2019	05/08/2020	Occ/Agg 2M/2M

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Escondido, its officials, employees and volunteers are named as additional insured per attached form CG 2010

CERTIFICATE HOLDER		CANCELLATION	
City of Escondido Community Services Dept. 201 N Broadway Escondido, CA 92025		CITY OF FEE	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
		AUTHORIZED REPRESENTATIVE <i>Melissa Thomas</i>	

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NORTH04

OP ID: AH

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/28/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERNS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Rancho Mesa Insurance Services 250 Riverview Parkway #401 Santee, CA 92071	619-937-0164	CONTACT Sam Brown NAME: PHONE (A/C, No, Ext): 619-937-0164 FAX (A/C, No): 619-937-0168 E-MAIL ADDRESS:
		INSURER(S) AFFORDING COVERAGE INSURER A: Zenith Insurance Company
		NAIC # 13269
INSURED Interfaith Community Services 550 W. Washington Escondido, CA 92025	INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 1

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD / WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input type="checkbox"/> OCCUR					EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Each occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:					
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Each accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE					EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N N / A	Z135124502	07/01/2019	07/01/2020	X PER STATUTE E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: PROOF OF INSURANCE

CERTIFICATE HOLDER

CANCELLATION

EVIDEN1

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



Department of the Treasury
Internal Revenue Service

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

In reply refer to: 4077550286
June 03, 2013 LTR 4168C 0
95-3837714 000000 00
00032869
BODC: TE

INTERFAITH COMMUNITY SERVICES INC
550 W WASHINGTON AVENUE
ESCONDIDO CA 92025-1643

682

Employer Identification Number: 95-3837714
Person to Contact: Vaida Singleton
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Mar. 08, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in February 1984.

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

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

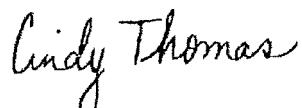
Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third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

4077550286
June 03, 2013 LTR 4168C 0
95-3837714 000000 00
00032870

INTERFAITH COMMUNITY SERVICES INC
550 W WASHINGTON AVENUE
ESCONDIDO CA 92025-1643

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

Sincerely yours,



Cindy Thomas
Manager, EO Determinations



BOARD OF DIRECTORS

Updated February 2019

Chair

General Membership Chair

Reverend Meg Decker

Trinity Episcopal Church in Escondido
Escondido Faith Leaders' Council
University of Nevada

Immediate Past Chair

Silas Harrington

Community Lutheran Church in Escondido
Law Offices of Silas Harrington
University of Washington School of Law

Treasurer

Finance Committee Chair

Gene Evenskaas

Bank of America
US Treasury's Office of Technical Assistance
CEO and Founding Partner of Diablo Capital
Funding LLC.
Core Securities and Global Capital Markets Group
Carroll College
Harvard Business School

Secretary

Development Committee Chair

Mitchell Dubick, J.D., LL.M.

Yale University
Case Western Reserve University
Georgetown University
Chairman of the Board of Trustees of Seacrest
Village of San Diego Senior Community Centers
Chairman of Second Chance
National Executive Committee Member of the
Anti-Defamation League
Board Trustee of the San Diego Museum of Man

Investment Committee Chair

Lisa Brinig, CFP

Mariner Wealth Advisors, San Diego
University of Kansas
San Diego State University

Audit Committee Chair

Paul Polito

Polito Eppich Associated LLP, CPAs
Loyola Marymount University
Palomar College Foundation
St. Stephen's Catholic Community
North County Trade Tech High School
New Haven Youth and Family Services
John Paul the Great Catholic University

Governance Committee Chair

Kate McKone-Sweet, Ph.D.

HERS Wellesley Institute
University of Virginia Darden School of Business
University of Virginia, Darden Graduate School of
Business Administration
Schlesinger Fund for Global Healthcare
Professor of Operations Management at
Babson College
St. Bartholomew's Episcopal Church

Programs Committee Chair

Laurie Burt

The Church of Jesus Christ of Latter-day Saints,
Humanitarian Specialist
University of Utah
Past Board member, Charity Visions
Board Member, The Moran Eye Institute

Faith Leaders Council Chair

The Reverend Kadri Webb

St. John Missionary Baptist Church
University of Maryland Baltimore County
Samuel DeWitt Proctor School of Theology at the
Virginia Union University

Quality Assurance & Compliance Chair

John Byers

Purdue University
Indiana University Kelley School of Business
Chief Information Officer of Nordson Corporation

Member**Carol J. Brooks**

Rising Star Missionary Baptist Church
Kent State University
San Jose State University
Community Healthcare Alliance Committee
North County African American
Women's Association
Women's Community Club
Past Board Member Vista Community Clinic
Past Board Member KOCT Community Television

Member**Christine Carrick**

Owner/Director, Youngdale Mfg. Corp.
National University
San Diego State University
University of California Los Angeles
Past President, Palomar College Foundation
Palomar College President's Associates
Past Board Member, San Marcos
Boys and Girls Club
Palomar College Presidents Associates

Member**Zeynep Ilgaz**

Founder, President & CEO, Confirm BioSciences
San Diego State University
National Institutes of Health Commercialization
Assistance Program
Entrepreneur Society and San Diego State
University

Member**Stephen Smith**

Partner, Lewis Brisbois Bisgaard & Smith
University of San Diego School of Law
University of San Diego
Adjunct Professor of Law at
Thomas Jefferson School of Law

Member**Diana VanDuzer**

Village Community Presbyterian USA Church
Northwest Assistance Ministries



RESOLUTION OF THE BOARD OF DIRECTORS

OF

INTERFAITH COMMUNITY SERVICES, INC.

Authorized Signatory for Contracts & Financial Instruments

The Board of Directors of Interfaith Community Services Inc., at the monthly Board of Directors meeting held on November 28, 2018, hereby resolves to authorize Greg Anglea, Chief Executive Officer to sign grant and contract proposals, execute contracts, amendments to contracts, adjustment requests, sign checks and manage financial accounts on behalf of Interfaith Community Services Inc. Signed copies of any resolutions shall be included in the next regularly scheduled board package.

A handwritten signature in blue ink, appearing to read "Margaret Decker".

Rev. Margaret Decker
Chair, Board of Directors

A handwritten date in blue ink, appearing to read "11/30/18".

Date

A handwritten signature in blue ink, appearing to read "mitchell dubick".

Mitchell Dubick
Secretary, Board of Directors

A handwritten date in blue ink, appearing to read "11/30/18".

Date

A handwritten signature in blue ink, appearing to read "Greg Anglea".

Greg Anglea
Chief Executive Officer

A handwritten date in blue ink, appearing to read "11/30/18".

Date

BUSINESS LICENSE

CITY OF ESCONDIDO

The business named below is granted this license pursuant to the provisions of the Escondido Municipal Code to engage in, carry on, or conduct the business, trade, calling or occupation described below. Issuance of this license is not an assurance the proposed use conforms to city zoning or other regulations and shall not relieve the licensee of compliance with building, zoning, fire, or other ordinances of the City or the State of California, nor shall issuance be deemed a waiver of past or future violations of such laws, nor constitute a barter to pursuit of appropriate legal action against the license holder for such violations. License holder shall renew the license before the expiration date.

Description: 624-Social Assistance

Business Name: *Interfaith Community Services*

Business Location: 550 W Washington Ave
Escondido, CA 92025

Business Owner: Greg Anglea

Interfaith Community Services
550 W Washington Ave
Escondido, CA 92025

TO BE POSTED IN A CONSPICUOUS PLACE

Business License Number: 149069

Effective Date: May 30, 2019

Expiration Date: May 31, 2020

City of Escondido Community Development Department

By:

Bill Martin

Bill Martin, Director of Community Development

NOT TRANSFERABLE

INTERFAITH COMMUNITY SERVICES, INC.

**AMENDED AND RESTATED
BYLAWS**

*Approved at the
Meeting of Members
May 20, 2015*

Article I

NAME AND LOCATION

Section 1 Name. The name of the corporation shall be "Interfaith Community Services, Inc." (hereinafter referred to as "Interfaith").

Section 2 Principal Office. The principal administrative office for the transaction of the business of Interfaith shall be located at 550 West Washington Avenue, Escondido, CA 92025. The location of the principal administrative office may be changed from time to time by the Board of Directors.

Section 3 Registered Agent. The Registered Agent of Interfaith shall be such person as is designated from time to time by the Board of Directors.

Article II

PURPOSES

Section 1 General Purpose. Interfaith is a nonprofit public benefit corporation and is not organized for the private gain of any person. Interfaith is organized and shall exist exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Section 2 Specific Purpose. The specific purpose of Interfaith Community Services shall be to promote mutual understanding and respect among members and affiliated faith communities, to respond to human needs affecting faith centers, their members, and the community at large, and to operate programs for basic needs, addiction recovery, social services, emergency shelter, housing, veterans, families, youth, seniors, and the unemployed, and for related purposes.

Section 3 Limitations. Interfaith is a nonprofit, nonracial, nonpolitical organization. The property of Interfaith is irrevocably dedicated to charitable purposes; and no part of the net earnings, contributions, or assets of the corporation shall inure to the benefit of, or be distributable to its Directors, Officers, or other private persons. The foregoing shall not preclude Interfaith from paying reasonable compensation for services rendered or from making payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and otherwise in these Bylaws. No substantial part of the activities of Interfaith shall consist of carrying on propaganda, or otherwise attempting to influence legislation. Interfaith shall not participate or intervene in any political campaign (including the publication or distribution of statements) on behalf of any candidate for public office. Interfaith is not a church and it is not affiliated with any specific faith. Interfaith seeks to work with organizations of many faiths, and with non-religious organizations. Interfaith serves persons of all faiths and non-religious persons and seeks to empower people to lead a productive, self-sufficient lifestyle.

Article III

MEMBERS

Section 1 General Members. There shall be a General Membership class (General Members) composed of individual congregations and ministerial associations. General Members shall each have one vote on all matters presented to the membership for action. To be admitted as a General Member, candidates must submit an application and be admitted by election by a majority of the members of the Board of Directors. In addition, to maintain such membership, General Members must have current information on file with Interfaith pursuant to the General Membership Guidelines established by the Board of Directors. General Members are eligible to attend all membership meetings, including but not limited to the annual meeting and special meetings.

Section 2 Supporting Members. There shall be a supporting category of members composed of groups and individuals that do not qualify for General Membership. This category shall be construed broadly to include other organizations, corporations, and individuals interested in supporting the purposes of Interfaith. Supporting Members are eligible to attend all membership meetings, including but not limited to the annual meeting and special meetings. Supporting Members do not have any voting rights.

Section 3 Annual Meeting. The Annual Meeting of the Membership shall be held on the last Wednesday of the month of September each year or at such other time as the Board of Directors may establish. The purpose of the Annual Meeting shall be to receive annual reports of the operations and financial condition of Interfaith, to install Directors, to vote on proposed changes, if any, to the Bylaws and/or Articles of Incorporation, and to transact any other business that may properly come before the meeting. Not less than ten (10) days' written notice shall be given of the Annual Meeting of Interfaith. Such notice shall include the date, time and place of such meeting, and a statement of the general nature of all matters to be acted upon.

Section 4 Special Meetings. Special membership meetings of Interfaith may be called by the Board of Directors, the Chair, the Executive Director, or five percent or more of the members. Notice of any special meeting shall be sent by first-class mail not less than ten (10) days in advance of the date for which it is called, and no business may be transacted except matters the general nature of which is set forth in the notice of the meeting.

Section 5 Quorum. A quorum for the transaction of business at a membership meeting of Interfaith shall consist of twelve Members. Members may vote by proxy. Any and all references in these bylaws to a vote of the membership shall refer to a vote of the General Members.

Section 6 Voting Rights. General Members shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, the General Members shall have the rights afforded members under the California Nonprofit Public Benefit Corporation Law. Except as otherwise specifically provided in these bylaws or the Articles of Incorporation and except as otherwise required by law, each vote taken or made by a majority of the General Members present at a duly held membership meeting at which a quorum is present shall constitute the act of the membership.

Section 7 Dues, Fees and Assessments. Each General Member and Supporting Member may be requested to pay, within the time and on the conditions set by the Board of Directors, dues, fees, and assessments in amounts to be fixed from time to time by the board. The dues, fees, and assessments shall be equal for all members of each class, but the board may, in its discretion, set different dues, fees, and assessments for each class.

Section 8 Termination. A membership shall terminate on occurrence of any of the following events:

8.1 Resignation of the member;

8.2 Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the board;

8.3 The member's failure to pay dues, fees, or assessments as set by the board within Sixty (60) days after they are due and payable;

8.4 Termination of membership under Article III, Section 10 of these bylaws based on the good faith determination by the board, or a committee or person authorized by the board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the corporation's purposes and interests.

Section 9 Suspension of Membership. A member may be suspended, under Article III, Section 10 of these bylaws, based on the good faith determination by the board, or a committee or person authorized by the board to make such a determination, that the member has failed in a material and serious degree to observe the corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the corporation's purposes and interests.

A person whose membership is suspended shall not be a member during the period of suspension.

Section 10 Procedure for Suspension and Termination. If grounds appear to exist for suspending or terminating a member under Article III, Sections 8 or 9 of these bylaws, the following procedure shall be followed:

10.1 The board shall give the member at least 15 days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporation's records.

10.2 The member shall be given an opportunity to be heard, either orally or in writing, at least five days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the board or by a committee or person authorized by the board to determine whether the suspension or termination should occur.

10.3 The board, committee, or person shall decide whether the member should be suspended, expelled, or sanctioned in any way.

10.4 If the member being terminated contests the findings of the committee, such member has the right to appeal the decision to the entire Board of Directors. Within fifteen (15) days of the decision by the committee, the member shall give notice of appeal to the Chair of the Board, who shall call a special meeting of the Board within fifteen (15) days of said notice. At such special meeting, the Board members shall consider the member's appeal. The decision of the Board of Directors shall be final.

10.5 Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

Article IV

BOARD OF DIRECTORS

Section 1 Number. Except as reserved to the General Members, the affairs of Interfaith shall be directed by its Board of Directors. The board shall consist of not less than fifteen (15) and not more than twenty-five (25) directors. Directors, unless sooner removed by resignation, removal, or otherwise, shall serve for a term of three (3) years or until his or her successor is duly elected and qualified. Elections shall be conducted to reasonably stagger the terms of the directors. The Members shall elect board members of Interfaith in accordance with the provisions of these Bylaws.

Section 2 Election. At the June General Members meeting, directors shall be elected by the General Members from among nominees presented by the Board of Directors. Nominations may be made from the floor, and Members may suggest individuals as nominees to the Board Chair or the Executive Director who shall forward any such suggestions for consideration by the Governance Committee in advance of the June General Membership meeting. Directors elected at the June General Members meeting shall be installed at the next annual Members meeting.

Section 3 Staggered Board. The board shall be divided into three groups, so that staggered terms may be achieved for the orderly conduct of board member recruitment, appointment and retention. The board appointments shall be staggered so that approximately one-third of the board positions will be voted upon annually.

Section 4 Vacancies. Any vacancies on the Board of Directors occurring between annual meetings, excluding vacancies caused by removal of a director by the membership, may be filled by a vote of a majority of the remaining directors then in office. The directors shall consider the list of nominees submitted by the Governance Committee. Vacancies caused by removal of a director by the membership shall be filled by a vote of the membership.

Section 5 Officer Attendance. The Executive Director of Interfaith (as defined herein) may attend board meetings and board committee meetings, unless otherwise instructed by the Board. In no event shall the Executive Director attend Governance Committee meetings related to the evaluation of Executive Director performance or determination of Executive Director compensation.

Section 6 Diversity. When nominating or electing directors, the Members and directors as appropriate shall strive to reflect the diversity of the community to the greatest extent possible.

Section 7 Employees. No employee (or member of the immediate family of an employee) of Interfaith or any entity owned or controlled by Interfaith shall be elected as a director.

Section 8 Consecutive Terms. Board members shall not be limited to a set number of consecutive terms.

Section 9 Removal. Any director may be removed by a majority of the Members present at a Generally Membership Meeting, or a special Membership meeting expressly called for such purpose at which a quorum is present.

Section 10 Removal by Board. A director who:

- 10.1 is absent at more than one-third of all regular meetings of the Board of Directors during any 12 month period;
- 10.2 has been declared of unsound mind by a final order of court;
- 10.3 is convicted of a felony; or
- 10.4 has been found by a final order or judgment of any court to have breached any duty under Title 1, Division 2, Part 2, Chapter 2, Article 3 of the California Corporations Code

may be removed from office by the Board of Directors. The Governance Committee will monitor board member attendance and make recommendations to the Chair and full board for any such removal. The General Members may remove directors in accordance with the provisions of Section 5222 of the California Corporations Code.

Section 11 Agreement. By becoming a director of Interfaith, each director agrees to be contractually bound by these corporate bylaws generally, and specifically agrees as follows:

11.1 To conduct activities involving Interfaith privately and to maintain all information concerning Interfaith and its affairs in confidence and in a manner consistent with the decisions and actions reached by the Board of Directors and its committees, the policies and procedures of Interfaith, these corporate bylaws and Interfaith's Articles of Incorporation;

11.2 The Executive Director and Chair of the Board of Directors of Interfaith shall be the spokespersons of Interfaith unless another person has been delegated this responsibility by either of them, or by action of the Board of Directors. Individual directors shall not comment outside of duly called meetings of the Board of Directors or meetings of any of its committees on activities of Interfaith. This prohibition on public statements shall not be construed as limiting any director's ability to discuss any matter with other directors or the Executive Director of Interfaith.

Section 12 Standard of Conduct. Pursuant to Section 5231 of the California Nonprofit Public Benefit Corporation Law, a Director shall perform the duties of a Director, including duties as a Member of any Committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of Interfaith and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. In

performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements including financial statements and other financial data, in each case prepared or presented by:

12.1 One or more Officers or employees of Interfaith whom the Director believes to be reliable and competent in the matters presented;

12.2 Counsel, independent accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

12.3 A Committee of the Board upon which the Director does not serve, as to matters within its designated authority, which Committee the Director believes to merit confidence.

Section 13 Self-Dealing Transactions. Pursuant to Section 5233 and except as provided in Section 5233 of the Nonprofit Public Benefit Corporation Law of the State of California, the Corporation shall not be a party to a transaction in which one or more of its directors has a material financial interest ("Interested Director") unless:

13.1 Approval by Attorney General. The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

13.2 Prior Approval by Board. The following facts are established:

13.2.1 Interfaith entered into the transaction for its own benefit;

13.2.2 The transaction was fair and reasonable as to Interfaith at the time Interfaith entered into the transaction;

13.2.3 Prior to consummating the transaction or any part thereof the Board authorized or approved the transaction in good faith by a vote of a majority of the Directors then in office without counting the vote of the Interested Director or Directors, and with the knowledge of the material facts concerning the transaction and the Director's interest in the transaction; or

13.3 Preliminary Approval by Authorized Committee or Person and Subsequent Approval by the Board. The following facts are established:

13.3.1 A committee or person authorized by the Board approved the transaction in a manner consistent with the standards set forth in Section 13.2 above;

13.3.2 It was not reasonably practical to obtain the approval of the Board prior to entering into the transaction; and

13.3.3 The Board, after determining in good faith that the conditions of subsections 13.3.1 and 13.3.2 were satisfied, ratified the transaction at the Board's next meeting by a vote of a majority of the Directors then in office without counting the vote of the Interested Director or Directors.

In light of the foregoing limitations, all directors shall fill out an annual questionnaire dealing with this subject matter and acknowledging that they have read and understand the organization's conflict of interest policy, as adopted by the Board of Directors and amended from time to time.

Section 14 Interested Persons. Pursuant to Section 5227 of the Nonprofit Public Benefit Corporation Law of the State of California, no more than forty-nine percent (49%) of the Directors serving on the Board may be "Interested Persons." For the purposes of this section, "Interested Persons" means either (i) any person currently being compensated by Interfaith for services rendered to it within the previous twelve (12) months whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person. The provisions of this Section shall not affect the validity or enforceability of any transaction entered into by Interfaith.

Section 15 Powers. The administrative powers of Interfaith shall be vested in the Board of Directors, which shall have charge, control, and management of the property, affairs, and funds of Interfaith; shall fill vacancies among officers for unexpired terms; shall have the power and authority to do and perform all acts and functions not inconsistent with these bylaws or with any action taken by Interfaith.

Article V

REGULAR AND SPECIAL MEETINGS OF THE BOARD OF DIRECTORS

Section 1 General. Meetings of the Board of Directors shall be held at the principal office of Interfaith or at such other place or places as designated by resolution of the Board of Directors or in the notice of the meeting.

Section 2 Annual Meeting. The annual organizational meeting of the Board of Directors shall be held immediately after the annual meeting of the Members. The annual organizational meeting shall be held for the purpose of electing Directors, organizing the Board, electing Officers, and transacting such business as may come before the meeting. Pending such organizational meeting, all Officers of the Corporation shall continue to hold their respective positions as Officers of the Corporation.

Section 3 Regular Meetings. Regular meetings of the Board of Directors shall be held on such other periodic basis as may be specified and noticed by the Board of Directors. The Board of Directors shall meet at least six times a year.

Section 4 Special Meetings. Special meetings of the Board of Directors may be called either (i) by the Chair of the Board or (ii) by the Secretary upon the Secretary's receipt of a written request signed by not less than one-third (1/3) of the members of the Board of Directors then in office. Notice of the time and place of any special meeting of the Board of Directors shall be given to each Director not less than forty-eight (48) hours before the date of the meeting if given personally or by telephone (including a voice messaging system or other system or technology designed to record and communicate messages) or electronic mail and not less than four (4) days before the date of the meeting if given by first-class mail. The notice shall also state the general nature of the business for

which the special meeting has been called, and no business other than that stated in the notice shall be transacted at such special meeting.

Section 5 Consent to Meetings. The transactions of the Board of Directors at any meeting however called and noticed or wherever held, shall be as valid as though done at a meeting duly held after call and notice if a quorum be present and if either before or after the meeting each Director not present signs a written waiver of notice, or a consent to the holding of such meeting or approval of the minutes thereof, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 6 Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. In the case where, by resolution, the authorized number of Directors is established, a majority of the number of Directors authorized by resolution shall constitute a quorum for the transaction of business, except to adjourn. In the case where, owing to death, incapacity, or resignation, the number of Directors then serving is less than a majority of the authorized number of Directors, then the majority of the Directors then serving shall constitute a quorum for the transaction of business, except to adjourn.

6.1 Actions Taken. Every action taken or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions related to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common Directorships, (c) creation of and appointments to Committees of the board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting. Members of the Board of Directors may not vote by proxy.

Section 7 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to meet again at another time or place. In the event a meeting of the Board of Directors is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 8 Action Without Meeting. Any action required or permitted to be taken by the Board of Directors under any provision of the Nonprofit Public Benefit Corporation Law of the State of California may be taken without a meeting if all Members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors. Any certificate or other document filed under any provision of the Nonprofit Public Benefit Corporation Law of the State of California which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting, and that the Bylaws authorize the Directors to so act. For the purposes of this section only, "all Members of the Board" shall not include any "Interested Directors" as defined in Article IV, Section 13 above.

Section 9 Telephonic and Electronic Communication Meetings. Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting pursuant to this Section constitutes presence in person at that meeting if all of the following apply:

9.1 Each member participating in the meeting can communicate with all of the other members concurrently;

9.2 Each member is provided the means of participating in all matters before the board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and;

9.3 The Board adopts and implements some means of verifying both of the following:

9.3.1 A person communicating by telephone, electronic video screen, or other communications equipment is a Director entitled to participate in the board meeting; and

9.3.2 All statements, questions, actions, or votes were made by that Director and not by another person not permitted to participate as a Director.

Section 10 Nonliability of Directors and Certain Officers.

10.1 Volunteer Directors. Pursuant to Section 5239 of the Nonprofit Public Benefit Corporation Law of the State of California, there shall be no personal liability to a third party on the part of a volunteer Director or volunteer Officer of Interfaith caused by the Director's or Officer's negligent act or omission in the performance of that person's duties as volunteer Director or Officer, if all the following conditions are met:

10.1.1 The act or omission was within the scope of the Director's or Officer's duties;

10.1.2 The act or omission was performed in good faith;

10.1.3 The act or omission was not reckless, wanton, intentional, or grossly negligent;

10.1.4 Interfaith has complied with the requirements of section 10.2 below.

This limitation on the personal liability of a volunteer Director or Officer does not limit the liability of Interfaith for any damages caused by acts or omissions of a volunteer Director or volunteer Officer, nor does it eliminate the liability of a Director or Officer provided in Section 5233 or 5237 of the Nonprofit Public Benefit Corporation Law of the State of California in any action or proceeding brought by the Attorney General.

10.2 Requirement to Obtain Liability Insurance. In order to obtain the full benefit of the limitation of liability set forth in Section 10 above, the Corporation and the Directors shall make all reasonable efforts in good faith to obtain liability insurance in the form of a general liability policy for the corporation and a Director's and Officer's liability policy.

Article VI

OFFICERS

Section 1 Number and Election. The officers of Interfaith shall be a Chair, a Vice Chair, the Executive Director, a Secretary, a Treasurer, and such other officers as the Board of Directors may authorize. Board of Directors shall hold an annual organizational meeting for the purpose of electing the officers of Interfaith and present a slate of officers who will be installed at the annual membership meeting of Interfaith, except the Executive Director who shall be appointed and remain in office on such terms and conditions as the Board of Directors may determine in accordance with Section 6 of this Article. Unless sooner removed by resignation, removal, or otherwise, the officers so elected shall hold office for a term of two (2) years or until successors have been duly elected, qualified, and installed at the annual meeting. The chair must have at least two (2) years experience serving as a director before being eligible for election as chair. There shall be no limit on the number of consecutive terms that a person may serve as an officer.

Section 2 Chair of the Board. The Chair of the board shall, when present, preside at all meetings of the Board of Directors and, subject to these Bylaws, shall exercise such other powers and perform such other duties as may from time to time be prescribed by the Board of Directors.

Section 3 Vice Chair. The Vice-Chair shall act as chair in the absence of the Chair and, when so acting, shall have the power and authority of the Chair.

Section 4 Secretary. The Secretary shall, as secretary of the Board of Directors, act as custodian of all records and reports of the Board of Directors, and shall be responsible for the keeping and reporting of adequate records of all meetings of the Board of Directors. The Secretary or the Secretary's delegate shall send appropriate notices, prepare agendas and take and record minutes for all meetings of the Board of Directors. The Secretary shall have such other powers and duties as may be prescribed from time to time by the Board of Directors.

Section 5 Treasurer. The Treasurer, under the direction of the Board of Directors, shall have supervision of all funds of Interfaith. Acting with the Executive Committee, if established by the Board of Directors, the Treasurer shall ensure that a true and accurate accounting of the financial transactions of Interfaith is made, and that financial reports are presented to the Board of Directors. The Treasurer shall have such other powers and duties as may be prescribed from time to time by the Board of Directors

Section 6 Executive Director. The Board of Directors shall have the authority to hire an individual to serve as Interfaith's Executive Director. Such individual shall be designated with such titles as may be designated by the board. Such individual shall report to the Board of Directors. The Executive Director of Interfaith shall have general supervisory and management responsibility over the affairs of Interfaith and shall have such other duties and responsibilities as the Board of Directors may assign from time to time. The Executive Director shall report to the Board of Directors at all of its meetings on the affairs and activities of Interfaith and shall have primary responsibility for the proper operation and continued existence of Interfaith. The Executive Director shall also be responsible for the effective administration of Interfaith's facilities and operations. In the event the position of Executive Director becomes vacant, the Board of Directors shall establish a selection process for the retention of a new Executive Director.

Article VII

BOARD COMMITTEES

Section 1 Executive Committee

1.1 Composition and Term. There shall be an Executive Committee of the Board which shall consist of the Chair of the Board (who shall act as Chair of the Executive Committee), the Vice-Chair, Secretary, Treasurer, the Immediate-Past Chair, and any other directors selected by a majority of the Board of Directors. All members of the Executive Committee must be members of the Board of Directors. If any person holding any of the officer positions mentioned herein are not members of the Board of Directors, such person shall not serve on the Executive Committee. Members of the Executive Committee shall hold office during the term of their respective officer position and until their successor is elected. If a non-officer director is appointed to the Executive Committee, such person shall serve a one-year term and be eligible for reappointment in the discretion of the Board. Unless otherwise instructed by the Executive Committee, it shall be the duty of the Executive Director to attend the meetings of the Executive Committee in an advisory capacity.

1.2 Duties and Powers. The Executive Committee shall meet as needed, shall assume all duties of the Board during the interim between meetings of the Board, and shall have all of the authority of the Board, except with respect to the following:

- 1.2.1 The approval of any action for which the Nonprofit Public Benefit Corporation Law of the State of California also requires the approval of Members of a Corporation, in which event the approval of the Board shall be required.
- 1.2.2 The filling of vacancies on the Board or in any Committee which has the authority of the Board.
- 1.2.3 The fixing of compensation of the Directors for serving on the Board or on any Committee.
- 1.2.4 The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repeatable.

- 1.2.5 The appointment of Committees of the Board having the authority of the Board, or the Members thereof.
- 1.2.6 The approval of any self-dealing transaction, except as permitted in California Corporations Code Section 5238.

1.3. Meetings.

1.3.1 Regular Meetings. Regular meetings of the Executive Committee, if any, may be held at such times and places as the Chairperson of the Board may announce at any meeting of the Executive Committee. Written notice may also be provided, but shall not be required where notice has been orally provided at an Executive Committee meeting. It is the general intent of the Board of Directors that the Executive Committee will convene only in rare instances when a board decision is necessary and it is impractical to convene the full board.

1.3.2 Special Meetings. Special meetings of the Executive Committee shall be held when called by the Chairman of the Board or by any two members of the Executive Committee upon request to the Secretary in writing. Notice of special meetings of the Executive Committee shall be given in the same manner as provided in these bylaws for the giving of notice of special meetings of the Board, except that the required notice period for notice by personal delivery, telephone or facsimile or other electronic means shall be twenty-four (24) hours.

1.3.3 Provisions Regarding Board Meetings. The provisions of these Bylaws regarding waiver of notice, participation by telephone and action without a meeting shall also be applicable to meetings of the Executive Committee.

1.3.4 Quorum. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of committee members if any action taken is approved by a majority of a quorum.

1.3.5 Minutes. A copy of the minutes of each meeting of the Executive Committee shall be provided to all of the directors no later than the commencement of the next regular meeting of the Board of Directors.

Section 2 Advisory Committees

2.1 General. The Board of Directors may designate such advisory committees as the Board deems necessary, which committees may consist of either members of the Board or other persons designated in the resolution authorizing the committee. The designation of any committee and the delegation to it of any authority shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. The Board of Directors shall appoint the following standing advisory committees: Governance, Finance, Audit, Investment, Development, Faith Leaders Council, and Membership.

2.2 Membership. Membership of advisory committees shall be determined as follows:

- 2.2.1 Members and chairs of standing and special board committees shall be chosen by the Board of Directors at the annual organizational meeting after the new directors and officers of the Board of Directors are elected. Committee chairs and members may also be voted upon from time to time at any regular or special meeting of the Board of Directors.
- 2.2.2 The number of members of each committee shall be as provided below or as may be specified by the Board of Directors from time to time.
- 2.2.3 The Board Chair shall nominate and the Board of Directors, by majority vote, shall appoint voting members of all advisory committees as provided in the following sections of this Article. Unless otherwise provided in these bylaws, advisory committees may consist of directors and non-director members. In selecting committee members, the board shall consider such individual's expertise, knowledge and relevant perspective.
- 2.2.4 The chair of each committee shall be a director of Interfaith and shall report to the Board of Directors periodically on the activities of the committee.
- 2.2.5 A majority of the members of a committee shall constitute a quorum. Each committee shall make available minutes of its meetings to the Board of Directors. Members of a committee may not vote by proxy. Attendance requirements for the committee members shall be the same as for the Board of Directors.

2.3 Finance Committee. The Finance Committee shall consist of not less than three (3) individuals, shall meet at least six times a year, and shall report to the Board regarding the fiscal health and performance of Interfaith. The Finance Committee shall perform such other functions and have such other responsibilities regarding the financial affairs of Interfaith and any entity under Interfaith's direct or indirect control as the board determines.

2.4 Investment Committee. The Investment Committee shall meet quarterly and consist of not less than three (3) individuals, including at least two (2) with investment industry experience. The Investment Committee shall have primary responsibility for the oversight of Interfaith's Endowment and all other investment funds. The Investment Committee shall advise the board on the selection of investment managers, monitor investment results against goals, and review compliance with investment policies. The Investment Committee shall report to the Board of Directors quarterly regarding the work of the committee and current asset balances. The committee shall annually make a complete report of portfolio results compared to benchmark organizations and national performance standards. The Investment Committee shall perform such other functions and have such other responsibilities regarding the investment affairs of Interfaith and any entity under Interfaith's direct or indirect control as the board determines

2.5 Governance Committee. The Governance Committee shall meet at least annually and consist of not less than three (3) individuals, each of whom shall be members of the Board of Directors of Interfaith. Except for meetings concerning the performance and compensation

of the Executive Director, and unless informed otherwise by the Board of Directors, the Executive Director shall be eligible to attend Governance Committee meetings. The Governance Committee shall:

- 2.5.1 Periodically examine the bylaws of Interfaith and Affiliated Organizations and make recommendations to the Board concerning its bylaws;
- 2.5.2 Nominate in advance of the annual meeting and at other times when vacancies are to be filled, candidates to serve as members of the Board of Directors or elected as officers of the Board;
- 2.5.3 Monitor attendance of regular Board of Directors meetings and make recommendations to the Board of Directors in compliance with Article IV, Section 10;
- 2.5.4 No less than annually, review the performance of the Executive Director and make recommendations to the Board related to the compensation of such individual;
- 2.5.5 Subject to the contractual rights of the person serving in such position, annually review the performance review of the Chief Executive Officer (prepared by the Executive Director) and make recommendations to the Board related to the compensation of such individual; and
- 2.5.6 Provide for an annual evaluation of the Board of Directors and the overall governance function.

2.4 Audit Committee. The corporation shall have an audit committee consisting of not less than three (3) individuals. Directors who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the corporation may not serve on the audit committee. Members of the audit committee shall not receive compensation for serving on the committee. A majority of the members of the audit committee may not concurrently serve as members of the Finance Committee, and the chair of the Audit Committee may not serve on the Finance Committee. Whenever practical, the Board will attempt to include non-director members who have expertise regarding audits. This committee will meet not less than semi-annually. The duties of the Audit Committee will include recommendations to the Board regarding the engagement of auditors, conferring with the auditor regarding the corporation's financial affairs, the annual review of the audit, and monitoring compliance with audit recommendations.

2.5 Development Committee. The membership of the Development Committee shall consist of at least five (5) individuals, at least three (3) of whom will be directors of Interfaith. The Development Committee will provide overall policy guidance regarding marketing, communication and development activities. This Committee will lead in engaging all the directors broadly in the fund development activities of Interfaith.

2.6 Faith Leaders Council. The membership of the Faith Leaders Council shall consist of leaders from the faith community, at least one (1) of whom will be a director of Interfaith.

The Faith Leaders Council will be selected from faith leaders that serve General Member faith communities. The Faith Leaders Council will advise Interfaith regarding the needs of the General Members and the individuals served by Interfaith.

2.7 Membership Committee. The Membership Committee shall consist of at least four (4) individuals, at least one (1) of whom will be a director of Interfaith. The Membership Committee will strengthen faith center membership within Interfaith, focusing on increasing referrals for service, volunteer projects, and in-kind and monetary support from member faith centers. The Membership Committee will also review and recommend new faith center members for full board approval.

2.8 Limitations. Each advisory committee shall:

- 2.7.1 Limit its activities to the accomplishment of the task for which it is appointed;
- 2.7.2 Have no power to act except as specifically conferred by resolution of the Board of Directors;
- 2.7.3 Recommend to the Board of Directors action to be taken relative to task assignment; and

Section 3 Additional Committees. The Board Chair may appoint special purpose committees as needed.

Article VIII

INDEMNIFICATION

The Board of Directors shall have the discretion to indemnify any person who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Director, Officer, employee, or other agent (as defined in Section 5238 of the Nonprofit Public Benefit Corporation Law of the State of California) of Interfaith, to the full extent allowed under the provisions of said Section 5238 relating to the power of a corporation to indemnify any such person. The amount of such indemnity shall be so much as the Board of Directors determines and finds to be reasonable, or, if required by said Section 5238, the amount of such indemnity shall be so much as the court determines and finds to be reasonable.

Article IX

GENERAL PROVISIONS

Section 1 Amendment. These Bylaws may be amended, by the vote of the Members, at any regular or special meeting of the Members provided that a presentation of such proposed amendments or, in the alternative, a full copy of the proposed revised bylaws, shall have been published in the notice calling the meeting.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
INTERFAITH COMMUNITY SERVICES, INC.
JUNE 30, 2018**

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GURRIERA & ASSOCIATES

Certified Public Accountants
Business & Personal Consultants

INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Interfaith Community Services, Inc.
Escondido, California

Report on the Financial Statements

We have audited the accompanying financial statements of Interfaith Community Services, Inc., (the "Organization"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT

Page 2

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 Interfaith Community Services, Inc., as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental 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 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 November 26, 2018, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT

Page 3

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Organization taken as a whole. The accompanying information for CASAWorks Apartments 99-FMTW-010, statement of operations on page 34-35 and CASAWorks Apartments 99-FMTW-010, statement of cash flows on page 36, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to 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 taken as a whole.

Drew : Aut

GURRERA & ASSOCIATES

San Diego, California
November 26, 2018

INTERFAITH COMMUNITY SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2018

ASSETS

ASSETS:	
Cash	\$ 3,950,667
Grants and contracts receivable	2,148,279
Prepaid expenses and other current assets	164,831
Unamortized donated rent	148,806
Investments	7,528,392
Property and equipment, net of accumulated depreciation	<u>16,982,331</u>
TOTAL ASSETS	<u>\$ 30,923,306</u>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Accounts payable	\$ 151,830
Accrued expenses	690,218
Accrued interest	545,019
Notes payable	<u>4,041,041</u>
TOTAL LIABILITIES	5,428,108
NET ASSETS:	
Unrestricted:	
Undesignated	17,002,333
Board designated long-term	<u>2,286,998</u>
	19,289,331
Temporarily restricted	723,024
Permanently restricted	<u>5,482,843</u>
TOTAL NET ASSETS	<u>25,495,198</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 30,923,306</u>

See notes to financial statements and independent auditor's report

INTERFAITH COMMUNITY SERVICES, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
REVENUE and SUPPORT:				
Contract revenue	\$ 7,188,312	\$ -0-	\$ -0-	\$ 7,188,312
Contributions	5,234,353	513,528	119,141	5,867,022
In-kind donations	1,034,081	-0-	-0-	1,034,081
Rental income	626,008	-0-	-0-	626,008
Investment return	528,412	-0-	-0-	528,412
Other income	8,281	-0-	-0-	8,281
Gain on the disposal of fixed assets	543,435	-0-	-0-	543,435
Net assets released from restrictions, satisfaction of program restrictions	462,318	(462,318)	-0-	-0-
Total Revenue and Support	15,625,200	51,210	119,141	15,795,551
EXPENSES:				
Program Services:				
Supportive services	2,223,471	-0-	-0-	2,223,471
Clinical	200,666	-0-	-0-	200,666
Housing & shelters	5,983,211	-0-	-0-	5,983,211
Employment and economic development	1,118,486	-0-	-0-	1,118,486
Recovery and wellness	1,989,528	-0-	-0-	1,989,528
Other community services	440,320	-0-	-0-	440,320
Total Program Services	11,955,682	-0-	-0-	11,955,682
Supporting Services:				
Management and general	1,291,780		-0-	1,291,780
Fundraising	728,901	-0-	-0-	728,901
Total Supporting Services	2,020,681	-0-	-0-	2,020,681
TOTAL EXPENSES	13,976,363	-0-	-0-	13,976,363
Increase (decrease) in net assets	1,648,837	51,210	119,141	1,819,188
Net Assets - Beginning of year	17,640,494	671,814	5,363,702	23,676,010
Net Assets - End of year	\$ 19,289,331	\$ 723,024	\$ 5,482,843	\$ 25,495,198

See notes to financial statements and independent auditor's report

INTERFAITH COMMUNITY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2018

	Program Services						Supporting Services			Total Functional Expenses		
	Supportive Services	Employment & Economic Development		Housing & Shelter	Recovery & Wellness	Other Community Services	Total	Management and General				
		Clinical	Fundraising					Fundraising	Total			
Wages, salaries, contract labor, and employee benefits	\$ 1,237,000	\$ 719,117	\$ 0	186,074	\$ 2,433,161	\$ 1,403,858	\$ 279,485	\$ 6,258,695	\$ 929,462	\$ 445,697	\$ 1,375,159	\$ 7,633,854
Living assistance	583,000	24,288		5,537	801,845	172,101	67,395	1,654,166	-0-	-0-	-0-	1,654,166
Training and employment assistance	14,634	192,225		-0-	3,095	542	-0-	210,496	-0-	-0-	-0-	210,496
Office	101,416	46,700		2,561	454,000	63,219	17,012	684,908	170,112	213,552	383,664	1,068,572
Depreciation	28,835	12,861		1,406	361,397	137,290	12,023	553,812	9,633	4,923	14,556	568,368
Interest	-0-	-0-		-0-	73,943	35,617	-0-	109,560	6,627	-0-	6,627	116,187
Operations and support services	218,050	103,523		2,584	1,793,733	124,963	41,818	2,284,671	2,613	2,281	4,894	2,289,565
Other	40,536	19,772		2,504	62,037	51,938	22,567	199,374	173,333	62,448	235,701	435,185
Total Expenses	\$ 2,223,471	\$ 1,116,486	\$ 200,666		\$ 5,983,211	\$ 1,989,528	\$ 440,320	\$ 11,955,682	\$ 1,291,780	\$ 728,901	\$ 2,020,681	\$ 13,976,363
% of total expense by activity	15.9%	8.0%	1.4%		42.8%	14.2%	3.2%	65.5%	9.3%	5.2%	14.5%	100.0%

See notes to financial statements and independent auditor's report

INTERFAITH COMMUNITY SERVICES, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 1,819,188
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	568,369
Realized and unrealized gain on investments	(499,996)
Realized gain on the sale of property and equipment	(542,435)
Contribution of securities	(282,233)
Contribution of endowment	(119,141)
Changes in operating assets and liabilities:	
Contracts receivable	(1,352,046)
Prepaid expenses and other current assets	181,619
Accounts payable	32,525
Accrued expenses	198,719
Accrued interest	<u>50,353</u>
Net cash provided by operating activities	<u>64,921</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(1,946,619)
Sale of property	2,141,912
Proceeds from sales of investments	<u>635,407</u>

Net cash provided by investing activities 830,701

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on capital lease	(20,839)
Payments on notes payable	<u>(543,501)</u>

Net cash used by financing activities (564,340)

NET INCREASE IN CASH 331,282

CASH, BEGINNING OF YEAR 3,619,385

CASH, END OF YEAR \$ 3,950,667

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest paid \$ 71,549

SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING TRANSACTION:

New financing on property purchase \$ 1,200,000

See notes to financial statements and independent auditor's report

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE A -ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Interfaith Community Services, Inc., (the "Organization") is a non-profit corporation established in August 1982 to assist persons needing assistance in meeting basic human needs such as food, clothing, and shelter. The Organization provides a variety of social services including transitional housing, shelters and homes, low income housing, veterans' services, and other community services principally in North San Diego County, California area.

USE OF ESTIMATES

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

FINANCIAL STATEMENT PRESENTATION

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

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

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - (Continued)
June 30, 2018

NOTE A -ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

FAIR VALUE MEASUREMENTS

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

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

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

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

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

The carrying values of cash, receivables, and payable approximate fair value as of June 30, 2018, due to the relative short maturities of these instruments.

CASH EQUIVALENTS

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - (Continued)
June 30, 2018

NOTE A -ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES
(Continued)

GRANTS AND CONTRACTS RECEIVABLE

The grants and contracts receivable arise in the normal course of operations. It is the policy of management to review the outstanding receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary at June 30, 2018, because management believes that all amounts are collectible.

PROMISES TO GIVE

Unconditional written pledges to the Organization in the future are recorded as promises to give and revenue in the year promised at the present value of expected cash flows, see Note E. Unconditional written pledges must be evidenced by donor signature and deemed legally enforceable by the Board of Directors. Conditional pledges are recognized as revenue when the conditions are met. Intentions to pledge are recognized as revenue when the funds are actually received. After pledges are originally recorded, an allowance for uncollectible pledges may be established based on specific circumstances.

INVESTMENTS

The Organization has investments held by the Jewish Community Foundation of San Diego and Rancho Santa Fe Foundation, which are invested in various pools and are valued at the Organization's percentage interest in the total pools. At June 30, 2018, these pools included domestic and international equities, domestic and international fixed income, and other investments. All investments have been recorded at fair market value using a market approach. The fair values of investments in securities traded on national exchanges are valued at the closing price on the last day of business of the fiscal year. The fair value of other investments is determined by investment managers in good faith using methods appropriate, and are subject to oversight and review by the management of the Jewish Community Foundation San Diego and Rancho Santa Fe Foundation. Realized and unrealized gains and losses on investments are included in the change in net assets in the Statement of Activities.

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - (Continued)
June 30, 2018

NOTE A -ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

PROPERTY AND EQUIPMENT

Acquisitions of property and equipment of \$5,000 or more are capitalized. Property and equipment are stated at cost, or if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets from five to thirty-nine years.

REVENUE AND SUPPORT

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

Revenue from grants and contracts are recognized to the extent of eligible costs incurred up to an amount not to exceed the total grant and contract authorized.

CONTRIBUTED MATERIALS AND SERVICES

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The fair market value of contributed professional services is reported as support and expense in the period in which the services are performed. In addition, the Organization receives a substantial amount of nonprofessional services donated by volunteers in carrying out the Organization's program services. These services do not meet the generally accepted accounting principles criteria as contributions and are, therefore, not recognized in the financial statements.

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - (Continued)
June 30, 2018

NOTE A -ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

INCOME TAXES

The Organization is exempt from federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, respectively.

All tax-exempt Organizations are subject to review and audit by federal, state, and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the Organization as a tax-exempt Organization under Internal Revenue Code Section and applicable state statutes.

At June 30, 2018, the federal statute of limitations remains open for the 2015 through 2018 tax years. The statute of limitations for the state income tax returns remains open for the 2014 through 2018 tax years.

NOTE B - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances in bank accounts which, at times, exceed the federal insurable limit. The Organization has not experienced any losses from cash concentrations and management does not believe the Organization is exposed to any significant risk.

NOTE C - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Other accounts receivable	\$ 73,976
Prepaid insurance	14,837
Deposits and prepaid rent	20,034
Prepaid software	<u>55,984</u>
Total other current assets	<u>\$ 164,831</u>

NOTE D - UNAMORTIZED DONATED RENT

In January 2014, the Organization entered into a ten year agreement to provide Veterans services in exchange for free rent at 1617 Mission Avenue, Oceanside, CA. This agreement expires January 30, 2024. The Organization began providing services at this location on April 1, 2014.

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE D - UNAMORTIZED DONATED RENT - (Continued)

The unamortized donated rent of \$148,806 represents the fair market value of the rent for the remaining 67 months of this agreement discounted by five percent.

NOTE E - PROMISES TO GIVE

As of June 30, 2018, the Organization did not have any promises to give.

NOTE F - INVESTMENTS

The Organization's Level 2 investments consist of endowment and long-term investment funds held by the Jewish Community Foundation San Diego and endowment funds held by the Rancho Santa Fe Foundation in balanced pool portfolios that include primarily publicly traded securities. The Organization has variance power over the funds. The pooled investments are categorized as Level 2 because they have no direct observable inputs.

The following table summarizes the valuation of the Organization's investments in accordance with authoritative fair value guidance at June 30, 2018:

	Level 1	Level 2	Total
Cash and cash equivalents	\$ -0-	\$ 108,825	\$ 108,825
Domestic equities	-0-	1,676,665	1,676,665
International equities	-0-	2,728,263	2,728,263
Domestic fixed income	-0-	2,485,783	2,485,783
International fixed income	-0-	360,584	360,584
Other	-0-	168,272	168,272
	<u>\$ -0-</u>	<u>\$ 7,528,392</u>	<u>\$ 7,528,392</u>

Investment return for the year ended June 30, 2018, consisted of the following:

Interest and dividends	\$ 312,540
Realized and unrealized gains and losses	215,872
Investment fees	(33,904)
	<u>\$ 494,508</u>

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2018, consisted of the following:

Construction in progress	\$ 161,972
Land	6,038,870
Buildings	15,216,782
Leasehold improvements	632,822
Furniture and equipment	608,343
Software	27,395
Vehicles	<u>238,404</u>
	22,924,588
Less accumulated depreciation	<u>(5,942,257)</u>
	<u>\$ 16,982,331</u>

NOTE H - LINE OF CREDIT

The Organization has a line of credit with First Citizens Bank in the amount of \$500,000 that is secured by all personal property of the Organization. Interest is payable monthly at the greater of 1.0% above the Wall Street Journal's prime rate (5.75% at June 30, 2018) or the floor rate of 5.75%. The line of credit expires July 14, 2019. The Organization had no outstanding balance at June 30, 2018.

NOTE I - NOTES PAYABLE

Notes payable at June 30, 2018, consisted of the following:

Note payable to First Citizens Bank in monthly payments of \$11,390 including interest at 3.25% per annum, secured by real property, due April 2021. \$ 1,005,926

Note payable to City of Escondido for \$443,000, secured by real property, due December 2018. Annual payments of principal and interest (3.00% per annum) are due only to the extent that the Home Project provides positive cash flow. There were no payments made during the year ended June 30, 2018. 443,000

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE I - NOTES PAYABLE - (Continued)

Note payable to City of Escondido for \$450,000, secured by real property, due June 2072. Annual payments of principal and interest (3.00% per annum) are due only to the extent that the Home Project II provides positive cash flow.	450,000
Note payable to Union Bank in aggregate monthly payments of \$3,182 including interest at 4.50% per annum, secured by real property, due July 2025.	233,441
Note payable to First Citizens Bank secured by real property, 1820 S. Escondido Blvd., due June 5, 2033. Monthly payments of principal and interest at 4.75% per annum. There were no payments made during the year ended June 30, 2018.	1,200,000
Note payable to the City of Oceanside (City) for \$350,000, secured by real property, due December 2065. The City recorded a deed of trust that is subordinate to Wells Fargo Bank, NA. Annual payments of principal and interest (3.00% per annum) are due only to the extent that the Garfield Program provides positive cash flow. There were no payments made during the year ended June 30, 2018.	350,000
Note payable to California Department of Housing and Community Development for \$245,000, secured by real property, due July 2057. Annual payments of principal and interest (3.00% per annum) are due only to the extent that the CASA Program provides positive cash flow. The Development was constructed in 1964 and is made up of eight units. There were no payments made during the year ended June 30, 2018.	245,000
Note payable to Wells Fargo Bank in monthly payments of \$1,416 including interest at 5.50% per annum, secured by real property, remaining balance of principal and interest due December 2020.	39,598
Mortgage payable to Greenwich Investors in monthly payments of \$845 including adjustable rate interest interest of 0.50% above bank prime rate (4.75% at June 30, 2018) secured by real property due June 2025.	63,354

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE I - NOTES PAYABLE - (Continued)

Mortgage payable to Greenwich Investors in monthly payments of \$1,060 including interest at 7.00% per annum, secured by real property, due June 2019.

	10,722
	<u>\$ 4,041,041</u>

Future principal payments on notes payable at June 30, 2018, are due as follows:

Year Ending <u>June 30,</u>	
2019	\$ 216,081
2020	661,537
2021	905,448
2022	105,412
2023	110,420
Thereafter	<u>2,042,143</u>
	<u><u>\$ 4,041,041</u></u>

Notes payable contain certain financial and non-financial covenants for which the Organization was in compliance with as of June 30, 2018.

NOTE J - COMMITMENTS

Operating Leases

The Organization leases space for its Coastal Service Center in Oceanside, California under an operating lease which expires in April 2019. The monthly lease payment was approximately \$1,550. Total rent expense was \$18,604 for the year ended June 30, 2018.

The Organization leases office space for senior programs and administrative offices which expires in August 2018. The monthly lease payment was \$3,810. Total lease expense was \$44,610 for the year ended June 30, 2018.

The Organization leases a van requiring monthly lease payments of \$361 through lease maturity in August, 2018. Total lease expense was \$4,322 for the year ended June 30, 2018.

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE J - COMMITMENTS - (Continued)

The Organization leases eight copiers requiring monthly lease payments of \$1,100 through lease maturity in July, 2021. Total lease expense was \$13,195 for the period ended June 30, 2018.

The Organization leases one copier requiring lease payments of \$128 through lease maturity in November, 2022. Total lease expense was \$974 for the period ended June 30, 2018.

The Organization leases warehouse space which expires August 2020. The monthly lease payment was \$4,041. Total lease expense was \$40,405 for the period ended June 30, 2018.

Future minimum lease payments under operating leases at June 30, 2018, are due as follows:

Year Ending <u>June 30,</u>	
2019	\$ 87,950
2020	65,866
2021	27,548
2022	2,641
2023	642
Total lease payments	<u>\$ 184,647</u>

NOTE K - CONTINGENCIES

Grants and Contracts

The Organization receives a significant portion of its revenue from government grants and contracts which are subject to audit. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined. Management believes that any liability which may result from these audits is not significant.

Repayment Contingency

The Organization received a contribution of \$463,907 in 2003 from the City of Escondido that was used to purchase its headquarters which is included in property and equipment in the Statement of Financial Position. The contribution amount is to be repaid in the event that the property is sold or is no longer used for its designated purpose.

The Organization has not expressed intent to sell the property and plans to continue to operate the facility consistent with it's designated purpose.

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE K - CONTINGENCIES - (Continued)

Litigation

In the normal course of operations, the Organization is occasionally named as a defendant in various lawsuits. It is the opinion of management and of legal counsel that the outcome of any pending lawsuits will not materially affect the operations or the financial position of the Organization.

NOTE L - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following at June 30, 2018:

Purpose and Time Restrictions:

Employment services	\$ 30,359
Coastal services	300,000
Transitional Youth Academy	14,798
Teens teaching tech	18,838
Veteran behavioral health	80,384
Senior services	12,773
Housing assistance	4,318
Food distribution	70,130
Immigration services	31,125
Other	11,493

Time Restrictions:

Unamortized donated rent	<u>148,806</u>
	<u>\$ 723,024</u>

NOTE M - PERMANENTLY RESTRICTED ENDOWMENT

The Organization's donor-restricted endowment consists of pooled funds at the Jewish Community Foundation of San Diego and Rancho Santa Fe Foundation and is established for a variety of purposes, including to serve children's needs and those of their families. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE M - PERMANENTLY RESTRICTED ENDOWMENT - (Continued)

As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner that is consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund.
- 2) The purposes of the Organization and the donor restricted endowment fund.
- 3) General economic conditions.
- 4) The possible effect of inflation and deflation.
- 5) The expected total return from income and the appreciation of investments.
- 6) Other resources of the Organization.
- 7) The investment policies of the Organization.

At June 30, 2018, the endowment net asset composition by type of fund, consisted of the following:

	Temporarily Restricted		Permanently Restricted		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	
Donor-restricted endowment funds	\$ 44,664	\$ -0-	\$ 5,482,843	\$ 5,527,507	

Changes in endowment net assets for the year ended June 30, 2018, consisted of the following:

	Temporarily Restricted		Permanently Restricted		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	
Endowment net assets, beginning of year	\$ (42,968)	\$ -0-	\$ 5,363,702	\$ 5,320,734	
Activity:					
Donations	-0-	-0-	119,141	119,141	
Interest and dividends	204,244	-0-	-0-	204,244	
Realized and unrealized gains	172,756	-0-	-0-	172,756	
Investment expense	(25,525)	-0-	-0-	(25,525)	
Appropriations	(263,843)	-0-	-0-	(263,843)	
Net Activity	<u>87,632</u>	<u>-0-</u>	<u>119,141</u>	<u>205,773</u>	
Endowment net assets, end of year	<u>\$ 44,664</u>	<u>\$ -0-</u>	<u>\$ 5,482,843</u>	<u>\$ 5,527,507</u>	

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE M - PERMANENTLY RESTRICTED ENDOWMENT - (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide funding for the operating expenses of programs supported by its endowments. In order to limit risk exposure, account features such as asset allocation, diversity, duration of holding each security, return on investment, and investment quality shall be applied, measured, and reviewed.

Investment Strategy

The investment strategy of the Organization is to develop a diversified portfolio of passive investments. For equity investments, the selection of such holdings is based on the merits of long-term ownership without the intent of short-term trading. To achieve investment objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy

The Organization has a policy of appropriating for distribution annually an amount equal to 5% of the average last twelve-quarter investment account balances. The Organization expects the current spending policy to allow its endowment to meet the needs of the Organization. This is consistent with the Organization's objective to provide funding for the operating expenses of programs as well as to provide additional real growth through new gifts and investment return.

NOTE N - BOARD DESIGNATED LONG-TERM

The Organization also has unrestricted funds held in a pooled account at the Jewish Community Foundation of San Diego. The Board of Directors has designated these funds to support the Organization for a long but unspecified period of time.

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE N - BOARD DESIGNATED LONG-TERM -(Continued)

These funds are invested in a manner similar to the permanently restricted endowment funds. All earnings related to the board designated long-term funds are recorded in the undesignated net asset balance.

Board designated long-term investments, beginning of year	\$ 1,874,998
Board designated contributions	412,000
Board releases	-0-
Board designated long-term investments, end of year	<u>\$ 2,286,998</u>

NOTE O - PENSION PLAN

The Organization has a 401(k) retirement plan which covers substantially all employees 18 years of age or older who have completed three months of service. A contribution to the Plan is paid monthly at a rate determined by the Board of Directors. Employee contributions to the Plan are at the discretion of each eligible employee and are matched by the Organization monthly at a percentage determined by the Board of Directors. For the year ended June 30, 2018, the Organization contributed at a rate of 1% employer contribution and a 1% employer match. The total employer contributions to the Plan for the year ended June 30, 2018, were \$93,814.

NOTE P - 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 programs and supporting services benefitted.

NOTE Q - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 26, 2018, which is the date the financial statements were available to be issued.

INTERFAITH COMMUNITY SERVICES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

<u>Federal/Pass-Through Grantor/Program/Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Total Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S Department of Housing and Urban Development</u>				
Direct programs:				
Continuum of Care Program - CasaWorks	14.267	CA0711L9D011609	\$ 50,830	
Continuum of Care Program - Raymond's Refuge	14.267	CA0944L9D011607	91,103	
Continuum of Care Program - Spruce Street	14.267	CA0710L9D011609	47,101	
Continuum of Care Program - Rental Assistance Program	14.267	CA1253L9D011603	216,420	
Continuum of Care Program - Home Now	14.267	CA1601L9D011600	440,746	
Pass-through from Community Housing Works:				
Continuum of Care Program - CHW	14.267	CA0703L9D011609,	98,377	
	14.267	CA0709L9D011609		
	14.267	CA1#25L9D011602		
Pass-through from County of San Diego:				
Continuum of Care Program - Shelter Plus Care	14.267	CA0693L9D011609	187,588	
Emergency Solutions Grant Program	14.231	556440	459,652	
Passed through to Catholic Charities	14.231	556440	208,543	208,543
Hotel/Motel Voucher Services	14.218	557288	854,085	
Pass-through from City of Escondido:				
Emergency Solutions Grant Program	14.231	E-16-MC-06-0552	11,061	
Emergency Solutions Grant Program	14.231		66,293	
Pass-through from City of Carlsbad:				
CDBG - Coastal Services	14.218	N/A	7,923	
Pass-through from City of Vista:				
CDBG - Senior Services	14.218	N/A	10,000	
Pass-through from City of Escondido via Alliance for Regional Solutions:				
CDBG - Winter Shelter - Haven House	14.218	N/A	43,000	2,792,722
				208,543
<u>U.S. Department Of Labor</u>				
Direct program:				
HVRP-Homeless Female Veterans - Veterans with Families	17.805	HV-3#921-17-60-5-6	119,432	
Pass-through from San Diego Workforce Partnership:				
WIOA Youth Activities - TYA WIOA	17.259	193-29	279,482	
Passed through to Mira Costa	17.259	193-29	51,275	51,275
Pass-through from California Employment Develop. Dept.:				
WIA Adult Program - VEAP	17.258	K7106365	327,734	
				51,275
				777,923

See Independent Auditor's Report and Notes to Schedule of Federal Awards

INTERFAITH COMMUNITY SERVICES, INC.
 Schedule of Expenditures of Federal Awards - (Continued)
 Year Ended June 30, 2018

<u>Federal/Pass-Through Grantor/Program/Cluster Title (Continued)</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Total Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Health and Human Services</u>				
Pass-through from County of San Diego:				
CSBG - Family Self-Sufficiency - Coastal	93.569	544433	189,379	
Passed through to Catholic Charities	93.569	544433	596	596
CSBG - Family Self-Sufficiency - Inland	93.569	544434	216,142	
CSBG - Communities in Action - Inland	93.569	557909	20,429	
Passed through to Escondido Education COMPACT	93.569	557909	5,158	5,158
National Family Caregiver Support - Minor Home Repair	93.052	553161	56,330	
			<u>490,034</u>	<u>5,754</u>
<u>Department of Homeland Security</u>				
Pass-through from Catholic Charities:				
Emergency Food and Shelter National Board Program	97.024	N/A	<u>33,471</u>	<u>33,471</u>
<u>U.S. Department of Treasury</u>				
Volunteer Income Tax Assistance	21.009	17VITAU116	<u>54,500</u>	<u>54,500</u>
<u>U.S. Department of Veteran Affairs</u>				
Direct Programs:				
VA Homeless Providers Grant & Per Diem Program-Oceanside	64.024	07-716-CA	461,792	
VA Homeless Providers Grant & Per Diem Program-Aster	64.024	98-027-CA	1,282	
VA Homeless Providers Grant & Per Diem Program-Merle's Place	64.024	05-016-CA	43,546	
VA Homeless Providers Grant & Per Diem Program-Recuperative Beds	64.024	VA262-12-D-0144	585,957	
VA Homeless Providers Grant & Per Diem Program-Bridge Housing	64.024	ICS1714-0325-664-BH-18-0	115,574	
VA Supportive Services for Veteran Families Program	64.033	C15-CA-601B	221,140	
Passed through to People Assisting the Homeless	64.033	C15-CA-601B	<u>162,281</u>	<u>162,281</u>
			<u>1,591,580</u>	<u>162,281</u>
Total Expenditures of Federal Awards			<u>\$ 5,740,230</u>	<u>\$ 427,853</u>

See Independent Auditor's Report and Notes to Schedule of Federal Awards

INTERFAITH COMMUNITY SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2018

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through Organization identifying numbers are presented where available.

3. Indirect Cost Rate

The Organization is using agreed upon indirect cost rates stipulated in its contracts and has elected not to use the 10 percent de minimus indirect cost rate as 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
Interfaith Community Services, Inc.
Escondido, 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 Interfaith Community Services, Inc, (the "Organization"), which comprise the statement of financial position as of June 30, 2018, and related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 26, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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.

Drum : Ast
Gurrera & Associates

San Diego, California
November 26, 2018

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
Interfaith Community Services, Inc.
Escondido, California

Report on Compliance for Each Major Federal Program

We have audited Interfaith Community Services, Inc.'s (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 Interfaith Community Services, Inc.'s major federal programs for the year ended June 30, 2018. Interfaith Community Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

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

Opinion of Each Major Federal Program

In our opinion, Interfaith Community Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of Interfaith Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Interfaith Community Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Interfaith Community Services, Inc.'s internal control over compliance.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance - (Continued)

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.

Report on schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Interfaith Community Services, Inc., as of and for the year ended June 30, 2018, and have issued our report thereon dated November 26, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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.

Dawn A. Art
Gurrera & Associates

San Diego, California
November 26, 2018

INTERFAITH COMMUNITY SERVICES, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Any noncompliance material to the financial statements noted No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? 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 Section 200.516(a) No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Expenditures</u>
64.024	VA Homeless Providers Grant & Per Diem Program	\$ 1,208,151
93.569	CSBG - Family Self-Sufficiency	<u>433,704</u>
	Total Expenditures of All Major Federal Programs	\$ <u>1,641,855</u>
	Total Expenditures of Federal Awards	\$ <u>5,740,230</u>
	Percentage of Total Expenditures of Federal Awards	<u>29%</u>

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

Auditee qualified as low-risk auditee under section 200.520? Yes

INTERFAITH COMMUNITY SERVICES, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018 - (Continued)

Section II - Current Year Findings

A. Current Year Findings - Financial Statement Audit

No financial statement findings in the current year

B. Current Year Findings - Major Federal Award Program Audits

No Current Year Findings or Questioned Costs

Section III - Prior Year Findings

A. Prior Year Findings - Financial Statement Audit

No financial statement findings in the prior year.

B. Prior Year Findings and Questioned Costs - Major Federal Award Program Audit

No prior year findings or questioned costs.

INTERFAITH COMMUNITY SERVICES, INC.
Supplementary Information
For the Year Ended June 30, 2018

**CASAWorks Apartments
99-FMTW-010
Statement of Operations
For the Year Ended June 30, 2018**

Acct No.		FY2018
	<u>Rent Revenue:</u>	
5100T	Total Rent Revenue	\$ 13,998
5152N	Net Rental Revenues (Rent Revenue Less Vacancies)	\$ 13,998
	<u>Other Revenue:</u>	
5910	Laundry and Vending Revenue	\$ 1,874
5990	Misc. Revenue-HUD Continuum of Care Grant Reim.	\$ 50,830
5900T	Total Other Revenue	\$ 52,704
5000T	Total Revenue	\$ 66,702
	<u>Administrative Expenses:</u>	
6204	Management Consultants	\$ 1,501
6210	Advertising and Marketing	-0-
6250	Other Renting Expenses	-0-
6310	Office Salaries	3,016
6311	Office Expenses	3,007
6330	Manager of Superintendent Salaries	12,141
6340	Legal Expense - Project	2,229
6350	Audit Expense	-0-
6390	Misc. Administrative Expenses	486
6263T	Total Administrative Expenses	\$ 22,380
	<u>Utilities Expenses:</u>	
6450	Electricity	\$ 3,772
6451	Water	6,586
6400T	Total Utilities Expenses	\$ 10,358
	<u>Operating and Maintenance Expenses:</u>	
6510	Payroll	\$ 8,843
6515	Supplies	2,817
6520	Contracts	9,509
6525	Garbage and Trash Removal	3,725
6546	Heating/Cooling Repairs and Maintenance	-0-
6570	Vehicle & Maintenance Equipment Operations/Repairs	1,784
6580	Lease Expense	-0-
6590	Misc. Operating and Maintenance Expenses	-0-
6500T	Total Operating and Maintenance Expenses	\$ 26,678
	<u>Taxes and Insurance:</u>	
5710	Real Estate Taxes	\$ 78
5711	Payroll Taxes (Projects' Share)	3,408
5720	Property & Liability Insurance (Hazard)	1,997
5721	Fidelity Bond Insurance	-0-
5722	Worker's Compensation	4,122
5723	Health Insurance & Other Employee Benefits	7,852
5790	Misc. Taxes, Licenses, Permits and Insurance	97
5700T	Total Taxes and Insurance	\$ 17,554

INTERFAITH COMMUNITY SERVICES, INC.
Supplementary Information
For the Year Ended June 30, 2018

CASAWorks Apartments
99-FMTW-010

Statements of Operations - (Continued)
For the Year Ended June 30, 2018

Acct No. _____ **FY2018** _____

	<u>Supportive Services Expenses:</u>	
6990	Salaries - Client Case Management-HUD-Continuum of Care Grant	\$ 17,470
6990	Client Supportive Services Other - Daycare, Employment, Life Skills, etc.	2,200
6990T	Total Supportive Services Expenses	\$ 19,670
6000	Total Cost of Operations before Depreciation	\$ 96,640
5060	Profit (Loss) before Depreciation	\$ (29,938)
6600	Depreciation	\$ 13,966
5060N	Operating Profit (Loss)	\$ (43,904)
7100T	Net Entity Expenses	\$ -0-
3250	Change in Total Net Assets from Operations	\$ (43,904)

Acct No. _____ **FY2018**

S1000-10	Total principal payments during audit period.	-0-
S1000-20	Total of all monthly reserve for replacement deposits.	-0-
S1000-30	Replacement Reserves, or Residual Receipts and Releases which are included in expense items.	-0-
S1000-40	Project improvement Reserves which are included as expense items.	-0-

INTERFAITH COMMUNITY SERVICES, INC.
Supplementary Information
For the Year Ended June 30, 2018

CASAWorks Apartments
99-FMTW-010
Statement of Cash Flows
For the Year Ended June 30, 2018

Acct No.		<u>FY2018</u>
	<u>Cash Flow from Operating Activities:</u>	
S1200-010	Rental Receipts	\$ 13,998
S1200-030	Other Operating Receipts	52,704
S1200-050	Administrative	(7,224)
S1200-090	Utilities	(10,358)
S1200-100	Salaries and Wages	(41,470)
S1200-110	Operating and Maintenance	(17,834)
S1200-120	Real Estate Taxes	(78)
S1200-140	Property Insurance	(1,997)
S1200-150	Miscellaneous Taxes and Insurance	(15,479)
S1200-170	Other Operating Expenses	<u>(2,200)</u>
S1200-240	Net Cash Provided (used) by Operating Activities	<u>\$ (29,938)</u>
	<u>Cash Flow from Investing Activities:</u>	
S1200-250	Net Deposits to the Reserve for Replacement acct.	\$ -0-
S1200-255	Net Deposits to Other Reserves	-0-
S1200-260	Net Deposits to Residual Receipts account	-0-
S1200-330	Net Purchases of Fixed Assets	<u>-0-</u>
S1200-350	Net Cash (used) by Investing Activities	<u>\$ -0-</u>
	<u>Cash Flow from Financing Activities:</u>	
S1200-360	Principal Payments - Mortgage	-0-
S1200-420	Distributions	-0-
S1200-430	Contributions	-0-
S1200-450	Other Financing Activities	<u>-0-</u>
S1200-460	Net Cash Provided (used) by Financing Activities	<u>\$ -0-</u>
	<u>Net Increase (Decrease) in Cash & Cash Equivalents:</u>	<u>\$ (29,938)</u>

Contracts Checklist

- Application for Funds (revised)
- Contract
- Project Work Plan (Attachment A of the contract)
- Project Budget and Budget Narrative (Attachment B of the contract)
- Affirmative Action Policy
- Section 3 Certification ****Please Note the contract and the Section 3 Notification require a notarized signature**
- IRS Form W-9

In addition, the following required documentation must be completed and returned in order to proceed with contract execution:

- Insurance Certificate (as indicated in contract; Insurance Guidelines attached)
- IRS letter verifying 501c(3) status
- Agency's current list of Board of Directors
- Letter from Board designating authorized agent for contract execution
- Proof of City of Escondido business license
- Bylaws