



**City of Mission Viejo
Community Development Block Grant (CDBG)
Program Year 2016-2017
Public Service Grant Application**

A. GENERAL INFORMATION

1. Legal Name of Applicant Organization: Families Forward
2. Name of Proposed Program: Homeless Prevention Services
3. Application Contact Person: Jillian Miller
4. Phone: 949-716-2727
5. Mailing Address: 8 Thomas - Irvine, CA 92618
6. E-Mail: jmiller@families-forward.org
7. Location Where Services Will Be Provided: 8 Thomas - Irvine, CA 92618
8. Official Authorized to Sign Contract: Margie Wakeham
9. Federal Tax I.D. #: 33-0086043 DUNS Number: 61-009-3825
10. Provide a CD-ROM with a copy of the following documents:
 - Proof of Tax Exempt status
 - Articles of Incorporation & By-Laws
 - Most recent 990 tax return filed with the IRS
 - Most recent audit or A-133 Single Audit if applicable

**E-MAIL ELECTRONIC VERSION OF THIS FORM TO MLINARES@CITYOFMISSIONVIEJO.ORG &
MAIL PAPER COPIES OF ALL APPLICATION MATERIALS TO:**

CITY OF MISSION VIEJO
COMMUNITY DEVELOPMENT DEPT.
200 CIVIC CENTER
MISSION VIEJO, CA 92691

APPLICATION IS DUE 3 PM DECEMBER 21, 2015

B. PROGRAM INFORMATION

1. This request is for a New or Existing program. If it is an existing program, how will services be expanded in the City? (Be as specific as possible; attach additional pages if necessary.)

With the stagnancy of the job market and few affordable housing options available, the demand for Families Forward's services in Orange County has continued to increase, and we expect it to increase for Mission Viejo residents as well. Services to low-income Mission Viejo residents include the food pantry; seasonal programs such as the Back-to-School supply distribution, Adopt-a-Family holiday gift program, and Thanksgiving food basket distribution; and career coaching services. Funding that Families Forward receives in the upcoming year will allow us to serve even more Mission Viejo families in need through our Homeless Prevention Program.

2. Have you previously received funding from the City of Mission Viejo CDBG Program? Yes No . If yes, identify the year(s), amount(s), and program(s) funded. In the 2nd table below, provide the year(s), name of agencies, program name and amount of CDBG funding received from communities other than Mission Viejo.

Previous MV Funding Information (last 5 years)

Year	MV CDBG Amount	Program Name
2015	\$6,225.00	Homeless Prevention Services
2014	\$5,050.00	Homeless Prevention Services
2013	\$5,400.00	Homeless Prevention Services
2012	\$6,206.00	Homeless Prevention Services
2011	\$7,285.00	Homeless Prevention Services

Previous Non-MV Funding Information (last 3 years)

Year	Agency	Program Name	Grant Amount
2015	Irvine CDBG	Housing Program	\$19,850.00
2015	Newport Beach CDBG	Transitional Housing	\$15,000.00
2015	Rancho Santa Margarita CDBG	Homeless Prevention Services	\$4,125.00
2015	Laguna Niguel CDBG	Homeless Prevention Services	\$3,700.00
2015	Lake Forest CDBG	Food Pantry	\$7,180.00

3. Is your agency based in the City of Mission Viejo? Yes No

5. Funding is requested under which category? **(Limit one)**

- | | |
|---|---|
| <input type="checkbox"/> Elderly/Frail Elderly Services | <input type="checkbox"/> Youth Services |
| <input type="checkbox"/> Physically/Developmentally Disabled Adults | <input type="checkbox"/> Crime Awareness |
| <input type="checkbox"/> HIV/AIDS Services | <input checked="" type="checkbox"/> Homeless Services |
| <input type="checkbox"/> Fair Housing Services | <input type="checkbox"/> Substance Abuse Services |
| <input type="checkbox"/> Mental Illness Services | <input type="checkbox"/> Childcare Services |
| <input type="checkbox"/> Other Public Services (Specify) _____ | <input type="checkbox"/> Health Services |

6. Provide the following proposed program budget information:

FY 2016-2017 CDBG funds requested from Mission Viejo:	<u>\$8,000</u>
Total Program budget:	<u>\$1,105,334</u>
Total Agency budget:	<u>\$4,313,770</u>

7. Provide the following information regarding the number of **unduplicated** clients to be served by the proposed program between July 1, 2016 & June 30, 2017:

- Total number of unduplicated clients to be served by the proposed program **regardless of city of residence:** 6,000
- Of the number listed above in "a", what is the total number of unduplicated **Mission Viejo clients** to be served? 630
- Of the total Mission Viejo residents to be served listed above in "b", how **many will be assisted with CDBG funds?** 630

8. Can you provide documentation verifying the following:

- Program applicant/client household income? Yes No
- Program applicant/client race and ethnicity? Yes No

9. All CDBG-funded activities must meet a HUD Objective and Outcome.

Objectives: Select **one** HUD objective that best applies to the proposed program:

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

Outcomes: Select **one** HUD outcome that best applies to the proposed program:

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

10. In any of the past three years has your agency expended more than \$750,000 in cumulative federal funds during one fiscal year? Yes No

If yes, did your agency prepare a Single Audit compliant with OMB Circular A-133? Yes No If yes, provide a copy of most recently completed Single Audit. If no, explain why a Single Audit was not prepared. _____

11. Please complete the budget proposal provided as **Attachment A** of this application.

12. **Narratives:** Please provide the following information. (**NOTE:** Your responses are limited to 1,000 characters per question. Narratives beyond this limit may be deleted during final production of your application for presentation to commissions and the City Council):
 - a) Identify the nature and extent of the community need to be addressed by the proposed program/service. Provide data that supports the unmet demand for the proposed service in Mission Viejo. Accordng to the 21st Annual Report on the Conditions of Children in Orange County, 49% of OC students (243,432 children) received free and reduced lunch in the 2014/15 school year. In the Saddleback Valley Unified School District, 25.3% of students received free and reduced lunch. This number is widely viewed as a proxy for the number of children at or near the poverty level. In addition, as of 2013, 4.5% of all children in Mission Viejo are living in poverty with 5.1% of students enrolled in Saddleback Valley Unified School District being homeless. Families are in vital need of support services and we find that many families who had never before had to ask for assistance are suddenly in dire need. By assisting families in their time of need, Families Forward helps to ensure homelessness can be avoided.

 - b) Describe the proposed program/service. Include information on how the program/service will address the specific community need. Specific activities to be undertaken, the average amount or length of service will be provided, and the expected outcome of the program/service: Since 1984, the Homeless Prevention Program has helped low-income families throughout Orange County maintain self-sufficiency despite little to no wage increases and rapidly increasing housing costs. This program provides comprehensive safety-net services to at-risk families including access to our on-site food pantry, career coaching, and financial and life-skills education. During intake we certify client income eligibility for services and then educate them about Families Forward's numerous programs and services. Clients have access to the food pantry once per month. If a client is in need of an emergency supply of food, that is also provided. Though the amount and length of services provided to clients varies depending on their needs, Families Forward is committed to providing the tools needed to become independent, more stable residents of the community. It is important to note that each individual is only counted as served once even if they receive a multitude of services.

 - c) Describe your organization detailing professional qualifications to carry out the proposed program. List all appropriate credentials (if applicable) and related experience. Also discuss organization resources (e.g., facilities, materials, etc.) that are available to provide services. Kimberli Claytor, Director of Operations, oversees operational functions including managing the Volunteer Manager, Program Assistant, Administrative Assistant, and data entry team. The Program Assistant oversees all seasonal programs including Thanksgiving, Adopt-a-Family, and Back to School. In addition, she assists with client intake and verification. Arlene Humber, Certified Career Counselor, served as a career transition instructor at the UCI Extension. She helps clients assess their skills, research opportunities, create a powerful resume, and prepare for interviews. Rose Rivera, Career Coach, facilitates career workshops in Spanish and works closely with clients on resume and interview skills. The on-site food pantry provides ample space to store and distribute nutritious non-perishable food staples and fresh produce to clients. Families Forward also provides services beyond the proposed program including counseling and housing, that are available to Mission Viejo residents in need.

 - d) Describe the organization's capacity to implement the program and meet projected service goals. For over 31 years, Families Forward has helped low-income families in crisis throughout Orange County regain financial stability and self-sufficiency. Families Forward has grown in response to

community need and now serves nearly 8,000 children and adults each year. Families Forward provides a full range of housing solutions and a comprehensive array of homeless prevention services on site. Staff has extensive experience administering Community Development Block Grants and various other government grants. In addition, Families Forward gives and receives referrals within a network of county, city, and private agencies.

- e) Provide specific information on how CDBG funds awarded to the program will be used (e.g., program staff, office supplies, food costs)? Also include information regarding the percentage of agency resources utilized for fundraising and agency management. If awarded, Families Forward will use Mission Viejo CDBG funds to help pay program staff salaries. These staff members facilitate all of the supportive services provided to Mission Viejo residents. Families Forward is proud to note that Charity Navigator, a nationally recognized charity evaluator, has awarded Families Forward one of its top 4-star ratings for the past 6 years, placing the organization in the top 3% of charities nationwide. Thanks to Families Forward's exemplary management of resources, an extensive volunteer corps, and thousands of food and product donations, 89% of financial contributions directly fund programs and services to our clients.

- f) What is the alternative plan if the City of Mission Viejo does not grant funds or if funding is provided at a lower level than requested? If not recommended for funding or if the funding level is reduced, Families Forward would not be able to serve as many at-risk families as we have projected during the grant term. This would greatly impact Mission Viejo residents, as the need for food pantry, seasonal programs, and career development services has not waned. Without funding, our ability to provide low-income families with critical support services would decrease, potentially causing residents who could have once avoided homelessness to become homeless. The result would be an increase in the number of at-risk and food insecure children in our community.

C. CERTIFICATION

1. I hereby certify that, if funds are granted from the City of Mission Viejo to our organization, they will be used to only benefit lower income residents of Mission Viejo. We understand that funding is provided on a reimbursable basis only, that proof of liability insurance will be required, and that our formal agreement with the City will define other reporting and programmatic requirements.

2. No federal appropriated funds have been paid or will be paid, by or on behalf of the grantee, 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 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.

3. 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 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.

Name: Margie Wakeham

Title: Executive Director

Signature: ORIGINAL SIGNATURE ON FILE

Date: 12/16/2015

**CDBG PUBLIC SERVICES AND GRANTS APPLICATION
ATTACHMENT A**

Proposed Budget

Organization: Families Forward

Program: Homeless Prevention Services

EXPENDITURES

CATEGORY	MISSION VIEJO CDBG FUNDS	OTHER SOURCES (Specify Amount)	TOTAL BUDGET
Administration Salaries & Benefits	\$0.00	\$0.00	\$0.00
Program Salaries & Benefits	\$8,000.00	\$235,662.00	\$243,662.00
Program Supplies	\$0.00	\$31,480.00	\$31,480.00
Facilities (Specify)	\$0.00	\$34,215.00	\$34,215.00
Communications	\$0.00	\$390.00	\$390.00
Insurance	\$0.00	\$5,609.00	\$5,609.00
Utilities	\$0.00	\$28,100.00	\$28,100.00
Professional Services (Specify)	\$0.00	\$0.00	\$0.00
Other (Please specify) In-Kind Contributions	\$0.00	\$725,000.00	\$725,000.00
Other (Please specify) Rental Assist/Client Exp.	\$0.00	\$16,090.00	\$16,090.00
Other (Please specify) Payroll process/Meetings	\$0.00	\$20,778.00	\$20,788.00
TOTAL	\$8,000.00	\$1,097,334.00	\$1,105,334.00

REVENUES

Source (Specify)	OTHER SOURCES (Specify Amount)	Is Source Secured via Contract?
Source: Mission Viejo CDBG	\$8,000.00	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Source: Other CDBG	\$15,005.00	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Source: Private Grants	\$86,000.00	Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/>
Source: Community Contributions	\$271,329.00	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Source: In-Kind Contributions	\$725,000.00	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
TOTAL	\$1,105,334.00	

FAMILIES FORWARD, INC.

**Financial Statements
For the Years Ended
September 30, 2014 and 2013
and
Independent Auditor's Report**

FAMILIES FORWARD, INC.

TABLE OF CONTENTS

PAGE

Independent Auditor's Report.....	1 - 2
Financial Statements for the Years Ended September 30, 2014 and 2013	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Changes in Net Assets.....	5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows.....	8 - 9
Notes to Financial Statements.....	10 - 19
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20 - 21

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Families Forward, Inc. (a California nonprofit organization), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Forward, Inc. as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014, on our consideration of Families Forward, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Families Forward, Inc.'s internal control over financial reporting and compliance.

H&LA Certified Public Accountants, Inc.

December 10, 2014

FAMILIES FORWARD, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2014 AND 2013

ASSETS	2014	2013
CURRENT ASSETS		
Cash and cash equivalents	\$ 901,041	\$ 1,446,221
Grants receivable	363,451	456,705
Prepaid expenses and other current assets	71,905	101,077
Investments	742,774	698,753
TOTAL CURRENT ASSETS	2,079,171	2,702,756
PROPERTY AND EQUIPMENT - NET	7,003,451	7,151,715
OTHER ASSETS		
Assets held in charitable remainder trust	411,384	405,182
TOTAL ASSETS	<u>\$ 9,494,006</u>	<u>\$ 10,259,653</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 44,276	\$ 196,568
Accrued expenses	97,653	82,117
Clients' deposits	9,508	22,198
Note payable, current portion	23,571	22,062
TOTAL CURRENT LIABILITIES	175,008	322,945
LONG-TERM DEBT		
Liability for amounts held for others	195,466	203,051
Note payable, net of current portion	-	759,711
TOTAL LONG-TERM DEBT	195,466	962,762
TOTAL LIABILITIES	370,474	1,285,707
NET ASSETS		
Unrestricted net assets	8,702,293	8,671,088
Temporarily restricted net assets	421,239	302,858
TOTAL NET ASSETS	9,123,532	8,973,946
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,494,006</u>	<u>\$ 10,259,653</u>

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

FAMILIES FORWARD, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Contributions	\$ 1,444,587	\$ 2,303,299
Special events, net of direct benefit expenses of \$87,117 and \$92,679, respectively	347,783	314,463
Grants from government agencies	640,787	640,618
Investment income	46,680	58,559
Rental and other income	92,643	107,755
Gain on sale of property and equipment	2,000	184,896
Gain on reconveyance of property	-	800,000
Donated goods and services	1,113,473	1,112,826
TOTAL SUPPORT AND REVENUE	3,687,953	5,522,416
Net assets released from restrictions	9,156	9,156
TOTAL SUPPORT, REVENUE, AND SATISFACTION OF RESTRICTIONS	3,697,109	5,531,572
EXPENSES		
Temporary housing and programs	3,264,534	3,096,108
Administration	172,577	239,277
Fundraising	228,793	243,163
TOTAL EXPENSES	3,665,904	3,578,548
INCREASE IN UNRESTRICTED NET ASSETS	31,205	1,953,024
TEMPORARILY RESTRICTED NET ASSETS		
Changes in assets and liabilities held in charitable remainder trust	13,787	33,446
Contributions	113,750	-
Net assets released from restrictions	(9,156)	(9,156)
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	118,381	24,290
TOTAL INCREASE IN NET ASSETS	\$ 149,586	\$ 1,977,314

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

FAMILIES FORWARD, INC.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
NET ASSETS AT OCTOBER 1, 2012	\$ 6,718,064	\$ 278,568	\$ 6,996,632
INCREASE IN NET ASSETS	<u>1,953,024</u>	<u>24,290</u>	<u>1,977,314</u>
NET ASSETS AT SEPTEMBER 30, 2013	8,671,088	302,858	8,973,946
INCREASE IN NET ASSETS	<u>31,205</u>	<u>118,381</u>	<u>149,586</u>
NET ASSETS AT SEPTEMBER 30, 2014	<u>\$ 8,702,293</u>	<u>\$ 421,239</u>	<u>\$ 9,123,532</u>

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

FAMILIES FORWARD, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Temporary Housing and Programs	Administration	Fundraising	Total
Association dues	\$ 115,863	\$ -	\$ -	\$ 115,863
Auto mileage	8,511	366	223	9,100
Bank charges	-	7,002	-	7,002
Community education	1,856	-	-	1,856
Computer expenses	39,304	3,927	6,017	49,248
Consultants	22,030	-	-	22,030
Depreciation	197,147	17,610	15,588	230,345
Donated materials and services	1,119,912	1,100	-	1,121,012
Dues and subscriptions	1,727	110	352	2,189
Employee benefits	106,158	10,616	15,924	132,698
Fund development	-	-	15,991	15,991
Insurance	22,700	1,328	1,696	25,724
Maintenance and rent	48,652	1,587	1,399	51,638
Mortgage interest	10,117	732	727	11,576
Newsletter and printing	11,325	201	7,586	19,112
Office expense	13,520	2,645	5,873	22,038
Payroll	1,057,867	89,952	134,042	1,281,861
Payroll service fees	3,000	300	450	3,750
Payroll taxes	86,489	8,649	12,973	108,111
Postage	2,083	298	2,544	4,925
Prevention program expenses	172,022	-	-	172,022
Professional fees	-	18,375	-	18,375
Property tax	10,623	202	269	11,094
Telephone	21,407	2,147	3,211	26,765
Transitional housing expenses	101,531	-	-	101,531
Truck expenses	9,201	-	-	9,201
Utilities	67,840	4,065	1,881	73,786
Workers compensation	13,649	1,365	2,047	17,061
Total functional expenses	<u>\$ 3,264,534</u>	<u>\$ 172,577</u>	<u>\$ 228,793</u>	<u>\$ 3,665,904</u>

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

FAMILIES FORWARD, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Temporary Housing and Programs	Administration	Fundraising	Total
Association dues	\$ 120,159	\$ 256	\$ 256	\$ 120,671
Auto mileage	9,108	671	253	10,032
Bank charges	-	5,006	-	5,006
Closing costs/relocation expense	45,578	12,815	-	58,393
Community education	1,119	133	274	1,526
Computer expenses	29,042	3,768	4,919	37,729
Consultants	-	700	2,688	3,388
Depreciation	128,923	6,720	6,501	142,144
Donated materials and services	1,053,241	36,047	7,007	1,096,295
Dues and subscriptions	1,827	97	81	2,005
Employee benefits	90,545	11,363	13,779	115,687
Fund development	-	-	20,674	20,674
Insurance	20,925	1,602	1,906	24,433
Maintenance and rent	92,814	4,479	4,938	102,231
Mortgage interest	35,329	2,409	2,409	40,147
Newsletter and printing	7,364	234	9,292	16,890
Office expense	18,015	2,415	3,154	23,584
Payroll	994,622	110,642	140,911	1,246,175
Payroll service fees	3,383	439	566	4,388
Payroll taxes	79,319	10,000	12,099	101,418
Postage	2,054	329	3,472	5,855
Prevention program expenses	165,177	-	-	165,177
Professional fees	-	22,010	-	22,010
Property tax	4,880	115	115	5,110
Telephone	16,635	2,367	3,383	22,385
Transitional housing expenses	82,183	-	-	82,183
Truck expenses	13,538	121	121	13,780
Utilities	67,015	2,865	2,337	72,217
Workers compensation	13,313	1,674	2,028	17,015
Total functional expenses	<u>\$ 3,096,108</u>	<u>\$ 239,277</u>	<u>\$ 243,163</u>	<u>\$ 3,578,548</u>

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

FAMILIES FORWARD, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in unrestricted net assets	\$ 31,205	\$ 1,953,024
Increase in temporarily restricted net assets	<u>118,381</u>	<u>24,290</u>
Total increase in net assets	<u>149,586</u>	<u>1,977,314</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation expense	230,345	142,144
Donated property and equipment	-	(57,306)
Gain on sale of property and equipment	(2,000)	(184,896)
Unrealized gain on investments	(32,346)	(44,930)
Decrease in assets and liabilities held in charitable remainder trust	(13,787)	(33,447)
Decrease (increase) in grants receivable	93,254	(245,715)
Decrease (increase) in prepaid expenses and other current assets	29,172	(28,386)
(Decrease) increase in accounts payable	(22,003)	46,362
Increase in accrued expenses	15,536	2,756
(Decrease) increase in clients' deposits	<u>(12,690)</u>	<u>9,836</u>
Total adjustments	<u>285,481</u>	<u>(393,582)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>435,067</u>	<u>1,583,732</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(212,370)	(3,802,236)
Sale of property and equipment	2,000	1,130,585
Deposit received	-	25,000
Proceeds from sales of investments	59,925	98,877
Purchases of investments	<u>(71,600)</u>	<u>(118,733)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(222,045)</u>	<u>(2,666,507)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank term loans	-	2,000,000
Payments on bank term loans	<u>(758,202)</u>	<u>(1,218,227)</u>
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>(758,202)</u>	<u>781,773</u>

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

FAMILIES FORWARD, INC.

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(545,180)	(301,002)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,446,221</u>	<u>1,747,223</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 901,041</u>	<u>\$ 1,446,221</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 11,576</u>	<u>\$ 40,147</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING
ACTIVITIES:

Property and equipment acquisitions of approximately \$130,000 were accrued in accounts payable as of September 30, 2013.

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

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE A – ORGANIZATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Asset Classifications

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

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

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

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

Permanently restricted net assets consist of funds that contain donor-imposed restrictions requiring the principal be invested in perpetuity and that only the income be used. Income earned on these funds may be unrestricted or temporarily restricted, depending upon the donor-imposed restrictions. There were no permanently restricted net assets at September 30, 2014 and 2013.

Support and Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as additions to temporarily restricted or permanently restricted net assets. When a temporary restriction has been satisfied, the related temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions."

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Grants were received from various governmental agencies and private foundations. The majority of grant funds were used for program related purposes and improvements to facilities owned by the Organization and were treated as current period expenditures.

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

Grants Receivable

Grants receivable are recorded when an obligation from a granting agency is committed in writing and when qualifying expenditures are made in connection with grants that provide for reimbursement of such expenditures. Management believes that all grants receivable as of September 30, 2014 and 2013 were fully collectible; therefore, no allowance for doubtful accounts was recorded.

Promises to Give

Unconditional promises to give are reported at fair value at the date the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

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

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets

The Organization's long-lived assets include property and equipment. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected future cash flow from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment loss is recognized and measured using the fair value of the related asset. As of September 30, 2014 and 2013, the Organization did not identify any material impairment of its long-lived assets.

Functional Allocation of Expenses

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

Cash and Cash Equivalents

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

Investments

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

Income Taxes

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

The Organization's federal income tax and informational returns for the fiscal years ended September 30, 2011, and subsequent, remain open for examination by the Internal Revenue Service. The returns for California, the Organization's only state jurisdiction, remain open for examination by the California Franchise Tax Board for the fiscal years ended September 30, 2010, and subsequent.

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management Estimates

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

Concentration of Credit Risk

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, deposits of up to \$250,000 at FDIC-insured institutions are covered by FDIC insurance. At times, deposits may be in excess of the FDIC insurance limit; however, management does not believe the Organization is exposed to any significant related credit risk.

Donated Goods and Services

Donated goods and services are recorded at their estimated fair values at date of receipt. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended September 30, 2014 and 2013, donated goods and services received by the Organization meeting the above criteria were valued at \$1,113,473 and \$1,112,826, respectively, most of which related to rent for the housing program participants, food donated to the food pantry, and other household furnishings.

NOTE C – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization determines the fair values of its investments based on the fair value hierarchy and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value measurements are classified and disclosed in one of the following three categories.

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

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE C – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

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

Mutual funds, bond funds, and equity funds are valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30:

	<u>2014</u>	<u>2013</u>
	<u>Quoted Prices (Level 1)</u>	<u>Quoted Prices (Level 1)</u>
Investments:		
Bond funds	\$ 410,366	\$ 386,046
Equity funds	<u>332,408</u>	<u>312,707</u>
Total investments	<u>\$ 742,774</u>	<u>\$ 698,753</u>
Assets held in charitable remainder trust:		
Money market funds	\$ 28,083	\$ 33,978
Bond funds	143,850	142,477
Equity funds	<u>239,451</u>	<u>228,727</u>
Total assets held in charitable remainder trust	<u>\$ 411,384</u>	<u>\$ 405,182</u>

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at September 30:

	<u>2014</u>	<u>2013</u>
Land	\$ 2,816,633	\$ 2,816,633
Buildings and improvements	4,766,333	4,764,629
Furniture and equipment	370,067	300,578
Autos and trucks	<u>24,998</u>	<u>34,552</u>
Total property and equipment	7,978,031	7,916,392
Accumulated depreciation	<u>(974,580)</u>	<u>(764,677)</u>
Total property and equipment, net	<u>\$ 7,003,451</u>	<u>\$ 7,151,715</u>

During December 2012, the Organization sold its main office and warehouse building for approximately \$1,130,000. The cost and net book value of the real estate was approximately \$1,214,000 and \$961,000, respectively, as of the date of sale. During November 2012, the Organization acquired real estate to be used as its new main office and warehouse (Note G). Depreciation on property and equipment was \$230,345 and \$142,144 for the years ended September 30, 2014 and 2013, respectively.

NOTE E – RESTRICTED NET ASSETS

Grant Loan

On November 17, 2004, the Organization received a Community Housing Development Organization (CHDO) grant loan from the City of Irvine in the amount of \$183,139 to partially fund the purchase of real property. The property is to be used for transitional housing rentals for homeless families for a period of 20 years. The purchase price of the property was approximately \$382,000. The remaining funds were provided through a bank loan, which was paid in full during 2007. If, after the 20 year period, the Organization is not in default of the provisions of the grant loan, as defined in the agreement, the grant loan will expire and be of no force or effect on the Organization. In the event the Organization is in default, a pro rata portion of the grant loan plus accrued interest at 10% per annum will become immediately due and payable. The pro rata amount shall be determined by multiplying \$183,139 times the percentage obtained by dividing the number of months remaining on the 20 year term by 240. The grant loan was reported as a temporarily restricted contribution, as management considers the likelihood of default of the provisions of the grant loan to be remote, and is being released from restriction over the 20 years at \$9,156 per year. At September 30, 2014, the unreleased portion of the grant was \$91,572. The CHDO grant loan is

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE E – RESTRICTED NET ASSETS (Continued)

secured by a deed of trust on the property. Management believes that the Organization was in compliance with the provisions of the CHDO grant loan as of September 30, 2014.

Charitable Remainder Trust

The Organization has been named trustee and remainder beneficiary of an irrevocable charitable remainder annuity trust, which was created in September 2008. In each taxable year of the trust, during the annuity period, the trustee shall pay the annuity beneficiary an annuity amount equal to 5.76% of the initial fair value of the trust assets. Upon the death of the beneficiary, the remaining trust assets will be distributed to the Organization. The Organization is restricted by the trust agreement to utilize the assets for programs. A noncurrent asset for the charitable remainder trust was recognized at the appraised value of \$360,000 as of September 30, 2008.

The fair value of Assets Held in Charitable Remainder Trust at September 30, 2014 and 2013 was \$411,384 and \$405,182, respectively; the Liability for Amounts Held for Others was \$195,466 and \$203,051, respectively; the temporarily restricted net residual was \$215,917 and \$202,130, respectively; and the Changes in Assets and Liabilities Held in Charitable Remainder Trust was \$13,787 and \$33,446, respectively. The Change in Assets Held in Charitable Remainder Trust was comprised of the following for the years ending September 30:

	<u>2014</u>	<u>2013</u>
Investment income	\$ 26,938	\$ 47,888
Payments to beneficiary from trust	(20,736)	(20,736)
Amortized interest on payments to beneficiary	<u>7,585</u>	<u>6,294</u>
Change in assets and liabilities held in charitable remainder trust	<u>\$ 13,787</u>	<u>\$ 33,446</u>

The present value of the expected future annuity payments discounted at a rate of 5% was recognized as a Liability for Amount Held for Others.

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE E – RESTRICTED NET ASSETS (Continued)

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

	<u>2014</u>	<u>2013</u>
Temporarily restricted:		
CHDO grant	\$ 91,572	\$ 100,728
Charitable remainder trust	215,917	202,130
FACE 2024 - Phase I Housing Grant	<u>113,750</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 421,239</u>	<u>\$ 302,858</u>

Net assets released from restriction consisted of the following at September 30:

	<u>2014</u>	<u>2013</u>
Satisfaction of restrictions:		
CHDO grant	<u>\$ 9,156</u>	<u>\$ 9,156</u>

NOTE F – UNRESTRICTED NET ASSETS

The Board designated unrestricted net assets for the following purposes as of September 30:

	<u>2014</u>	<u>2013</u>
Invested in capital assets	\$ 6,911,879	\$ 7,050,990
Reserves for operations	1,175,946	1,150,000
Legacy fund	559,468	388,453
Undesignated	<u>55,000</u>	<u>81,645</u>
Total unrestricted net assets	<u>\$ 8,702,293</u>	<u>\$ 8,671,088</u>

NOTE G – NOTE PAYABLE

During November 2012, the Organization acquired certain real estate, to be used as the main office and warehouse, for approximately \$2,875,000. The acquisition was partially financed with \$1,200,000 and \$800,000 loans from US Bank. The \$1,200,000 note was paid in full during May 2013. The \$800,000 note was secured by a deed of trust covering real estate and was payable in 59 monthly installments of \$3,898, including interest at 3.2%, with a final balloon payment due November 20, 2017. In February 2014, the Organization made an additional principal payment of \$723,000. As of September 30, 2014, the remaining note balance was \$23,571, which was paid in full during November 2014.

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE H – CONTINGENCIES

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

The Organization received notice from the County of Orange (the County) that it would receive a conveyance by quitclaim deed of real property (the Property) owned by the Navy and located on the former Marine Corps Air Station El Toro. On November 8, 2012, the Organization received the quitclaim deed for the Property.

Pursuant to the Supplement to Base Closure Homeless Assistance Agreement and Entry License, if the Organization determined that the Property could not reasonably be used for services that primarily benefit the homeless programs, the Organization would notify the County in writing and, within sixty days after receipt of notice, the Property would be reconveyed to the County. If this occurred, the County identified as an alternative to conveyance of the Property to the Organization the allocation of the sum of \$800,000 to enable the Organization to acquire other real property to be used in connection with the Organization's homeless assistance services and/or apply directly to the Organization's homeless assistance services.

The Organization notified the County, in a letter dated November 29, 2012, that the Property could not reasonably be used for its homeless programs. The letter also noted that the \$800,000 payment would be used, in part, to acquire a building to be used as the Organization's main office and warehouse. In January 2013, the Organization reconveyed the Property back to the County. In April 2013, the Organization received the \$800,000 payment, which is reported as gain on reconveyance of property in the statement of activities for the year ended September 30, 2013.

NOTE I – RETIREMENT PLAN

In May 1997, the Organization established a tax sheltered annuity retirement plan for qualified employees under Section 403(b) of the Internal Revenue Code. Under the provisions of the plan, employees may make voluntary contributions and the Organization contributes up to 10% of the employees' salaries. The Organization's contributions, charged to expense, were approximately \$93,000 and \$94,000 for the years ended September 30, 2014 and 2013, respectively.

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

FAMILIES FORWARD, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

NOTE J – SPECIAL EVENT ACTIVITIES

The Organization conducted the following special events for fundraising purposes during the years ended September 30:

<u>2014</u>	<u>Proceeds</u>	<u>Direct Expenses</u>	<u>Net</u>
Annual Dinner	<u>\$ 434,900</u>	<u>\$ 87,117</u>	<u>\$ 347,783</u>

<u>2013</u>	<u>Proceeds</u>	<u>Direct Expenses</u>	<u>Net</u>
Annual Dinner	<u>\$ 407,142</u>	<u>\$ 92,679</u>	<u>\$ 314,463</u>

NOTE K – CAPITAL CAMPAIGN

During the years ended September 30, 2014 and 2013, the Organization received contributions for the purchase and preparation of its new building (Note G) of approximately \$103,000 and \$1,025,000, respectively, which are included in contributions in the statements of activities. Promises-to-give to the capital campaign of approximately \$83,000 and \$265,000 are included in grants receivable in the statements of financial position as of September 30, 2014 and 2013, respectively.

NOTE L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 10, 2014, the date the financial statements were available to be issued.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Families Forward, Inc. (a California nonprofit organization), which comprise the statements of financial position as of September 30, 2014, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

H&LA Certified Public Accountants, Inc.

December 10, 2014



Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248344558
Apr. 25, 2013 LTR 4168C E0
33-0086043 000000 00

00022555
BODC: TE

FAMILIES FORWARD
8 THOMAS
IRVINE CA 92618-2763



009220

Employer Identification Number: 33-0086043
Person to Contact: Mr. Burns
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Apr. 16, 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 October 1985.

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.

0248344558
Apr. 25, 2013 LTR 4168C E0
33-0086043 000000 00
00022556

FAMILIES FORWARD
8 THOMAS
IRVINE CA 92618-2763

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

Sincerely yours,

Richard McKee

Richard McKee, Department Manager
Accounts Management Operations

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

2013

Department of the Treasury
Internal Revenue Service

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at www.irs.gov/form990.

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning **OCT 1, 2013** and ending **SEP 30, 2014**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization FAMILIES FORWARD Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 8 THOMAS City or town, state or province, country, and ZIP or foreign postal code IRVINE, CA 92618 F Name and address of principal officer: MARGARET WAKEHAM SAME AS C ABOVE	D Employer identification number 33-0086043 E Telephone number 949-552-2727 G Gross receipts \$ 3,696,089. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.FAMILIES-FORWARD.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
L Year of formation: 1984 M State of legal domicile: CA		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: HELPS ALMOST 8,000 ADULTS AND CHILDREN IN NEED ACHIEVE SELF SUFFICIENCY THROUGH HOUSING, FOOD, 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 27 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 27 5 Total number of individuals employed in calendar year 2013 (Part V, line 2a) 5 36 6 Total number of volunteers (estimate if necessary) 6 2354 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 3,756. b Net unrelated business taxable income from Form 990-T, line 34 7b 0.																												
Revenue	8 Contributions and grants (Part VIII, line 1h) 4,099,358. 9 Program service revenue (Part VIII, line 2g) 98,852. 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 198,525. 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 816,625. 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 5,213,360.	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Prior Year</th> <th>Current Year</th> </tr> </thead> <tbody> <tr> <td>8</td> <td>4,099,358.</td> <td>3,497,326.</td> </tr> <tr> <td>9</td> <td>98,852.</td> <td>66,143.</td> </tr> <tr> <td>10</td> <td>198,525.</td> <td>16,764.</td> </tr> <tr> <td>11</td> <td>816,625.</td> <td>28,739.</td> </tr> <tr> <td>12</td> <td>5,213,360.</td> <td>3,608,972.</td> </tr> </tbody> </table>		Prior Year	Current Year	8	4,099,358.	3,497,326.	9	98,852.	66,143.	10	198,525.	16,764.	11	816,625.	28,739.	12	5,213,360.	3,608,972.									
	Prior Year	Current Year																											
8	4,099,358.	3,497,326.																											
9	98,852.	66,143.																											
10	198,525.	16,764.																											
11	816,625.	28,739.																											
12	5,213,360.	3,608,972.																											
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 1,335,803. 14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 1,463,280. 16a Professional fundraising fees (Part IX, column (A), line 11e) 0. b Total fundraising expenses (Part IX, column (D), line 25) ▶ 228,793. 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 532,819. 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 3,331,902. 19 Revenue less expenses. Subtract line 18 from line 12 1,881,458.	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Prior Year</th> <th>Current Year</th> </tr> </thead> <tbody> <tr> <td>13</td> <td>1,335,803.</td> <td>1,669,531.</td> </tr> <tr> <td>14</td> <td>0.</td> <td>0.</td> </tr> <tr> <td>15</td> <td>1,463,280.</td> <td>1,522,670.</td> </tr> <tr> <td>16a</td> <td>0.</td> <td>0.</td> </tr> <tr> <td>b</td> <td>228,793.</td> <td>228,793.</td> </tr> <tr> <td>17</td> <td>532,819.</td> <td>304,766.</td> </tr> <tr> <td>18</td> <td>3,331,902.</td> <td>3,496,967.</td> </tr> <tr> <td>19</td> <td>1,881,458.</td> <td>112,005.</td> </tr> </tbody> </table>		Prior Year	Current Year	13	1,335,803.	1,669,531.	14	0.	0.	15	1,463,280.	1,522,670.	16a	0.	0.	b	228,793.	228,793.	17	532,819.	304,766.	18	3,331,902.	3,496,967.	19	1,881,458.	112,005.
	Prior Year	Current Year																											
13	1,335,803.	1,669,531.																											
14	0.	0.																											
15	1,463,280.	1,522,670.																											
16a	0.	0.																											
b	228,793.	228,793.																											
17	532,819.	304,766.																											
18	3,331,902.	3,496,967.																											
19	1,881,458.	112,005.																											
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 10,259,653. 21 Total liabilities (Part X, line 26) 1,285,707. 22 Net assets or fund balances. Subtract line 21 from line 20 8,973,946.	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Beginning of Current Year</th> <th>End of Year</th> </tr> </thead> <tbody> <tr> <td>20</td> <td>10,259,653.</td> <td>9,494,006.</td> </tr> <tr> <td>21</td> <td>1,285,707.</td> <td>370,474.</td> </tr> <tr> <td>22</td> <td>8,973,946.</td> <td>9,123,532.</td> </tr> </tbody> </table>		Beginning of Current Year	End of Year	20	10,259,653.	9,494,006.	21	1,285,707.	370,474.	22	8,973,946.	9,123,532.															
	Beginning of Current Year	End of Year																											
20	10,259,653.	9,494,006.																											
21	1,285,707.	370,474.																											
22	8,973,946.	9,123,532.																											

Part II Signature Block

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

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

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

Part III Statement of Program Service Accomplishments

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

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

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 1,014,643. including grants of \$ 546,960.) (Revenue \$ 66,143.) THE HOUSING PROGRAM, INCLUDING BOTH TRANSITIONAL & RAPID RE-HOUSING, PROVIDES QUALIFIED HOMELESS FAMILIES WITH IMMEDIATE ACCESS TO HOUSING. COLLABORATING WITH PARTNERING LOCAL APARTMENT COMMUNITIES, FAMILIES FORWARD ASSISTS FAMILIES WITH MOVING INTO APARTMENTS OR MOVING INTO ONE OF OUR 28 CONDOMINIUMS. THESE FAMILIES ARE PROVIDED WITH TARGETED SUPPORT SERVICES THROUGHOUT THEIR PARTICIPATION IN THE PROGRAM. THIS YEAR, 90 FAMILIES, 324 CHILDREN AND THEIR PARENTS, PARTICIPATED IN THIS PROGRAM. 93% OF THESE FAMILIES REMAINED STABLY HOUSED, AND ON THE PATH TO GREATER SELF-SUFFICIENCY, UPON LEAVING THE PROGRAM.

4b (Code:) (Expenses \$ 2,082,054. including grants of \$ 1,122,571.) (Revenue \$) THE HOMELESS PREVENTION & COMMUNITY SERVICES PROGRAM HELPS FAMILIES AVOID HOMELESSNESS. FAMILIES FORWARD PROVIDES LOW INCOME CHILDREN AND ADULTS WITH ACCESS TO NECESSARY SERVICES TO HELP THEM MAINTAIN THEIR STABILITY, INCLUDING: FOOD ASSISTANCE, COUNSELING, EMPLOYMENT COACHING, FINANCIAL AND LIFE SKILLS EDUCATION, AND SEASONAL SUPPORTIVE PROGRAMS. OUR FOOD PANTRY, CAREER COACHING, BACKPACK, COMMUNITY RESOURCE FAIR, THANKSGIVING AND ADOPT A FAMILY PROGRAMS ARE INCLUDED AS PART OF HOMELESS PREVENTION. KEEPING FAMILIES IN THEIR HOMES DURING A TIME OF CRISIS IS PREFERRED WHEN POSSIBLE TO AVOID HOMELESSNESS. THE FOOD PANTRY, STAFFED BY VOLUNTEERS, DISTRIBUTED TO 6,167 INDIVIDUALS AN ESTIMATED \$544,194 WORTH OF FOOD LAST YEAR. APPROXIMATELY 260 COMMUNITY FOOD DRIVES WERE HELD AND MANY OTHER DONATIONS WERE MADE BY

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

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

4e Total program service expenses 3,096,697.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i>	<input type="checkbox"/>	<input type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

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

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question number, question text, sub-column (e.g., 1a, 1b), and Yes/No columns. Contains questions 1a through 14b regarding IRS filings and tax compliance.

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

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

Section A. Governing Body and Management

		1a	1b	Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	27			
b	Enter the number of voting members included in line 1a, above, who are independent		27		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?				X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?				X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?				X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?				X
6	Did the organization have members or stockholders?				X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?				X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?				X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?			X	
b	Each committee with authority to act on behalf of the governing body?			X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O				X

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

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

Section C. Disclosure

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SANDY AVZARADEL DIRECTOR	1.00	X					0.	0.	0.	
(2) MARY ANN BENTROTT DIRECTOR	1.00	X					0.	0.	0.	
(3) JAMES KLINGLER DIRECTOR, TREASURER	2.00	X		X			0.	0.	0.	
(4) JACK STEMPEL DIRECTOR	1.00	X					0.	0.	0.	
(5) DR. JAMES BERMAN DIRECTOR	1.00	X					0.	0.	0.	
(6) SHIGE ITOH DIRECTOR	1.00	X					0.	0.	0.	
(7) ALLEN GOH DIRECTOR	1.00	X					0.	0.	0.	
(8) MARK HARRYMAN DIRECTOR, PAST PRESIDENT	2.00	X		X			0.	0.	0.	
(9) MICHAEL KAUFMAN DIRECTOR	1.00	X					0.	0.	0.	
(10) MARY EARL SPENCER DIRECTOR	1.00	X					0.	0.	0.	
(11) TERI HOOPS DIRECTOR	1.00	X					0.	0.	0.	
(12) DANA KOVACH DIRECTOR	1.00	X					0.	0.	0.	
(13) ROBERT LAMBERT DIRECTOR	1.00	X					0.	0.	0.	
(14) KATHLEEN LOCKHART DIRECTOR	1.00	X					0.	0.	0.	
(15) VICTORIA PARRET DIRECTOR	1.00	X					0.	0.	0.	
(16) GREG PHILLIPS DIRECTOR	1.00	X					0.	0.	0.	
(17) TRISH SCARBOROUGH DIRECTOR	1.00	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MICHAEL TRANK DIRECTOR	1.00	X						0.	0.	0.
(19) RYAN WARNE-MCGRAW DIRECTOR, PRESIDENT	2.00	X		X				0.	0.	0.
(20) STEVEN WILSON DIRECTOR	1.00	X						0.	0.	0.
(21) KAREN WONG DIRECTOR	1.00	X						0.	0.	0.
(22) NANCY CHASE DIRECTOR	1.00	X						0.	0.	0.
(23) KEN COULTER DIRECTOR	1.00	X						0.	0.	0.
(24) TRACIE MCCLOSKEY DIRECTOR	1.00	X						0.	0.	0.
(25) KEVIN ANDRADE DIRECTOR	1.00	X						0.	0.	0.
(26) RHONDA BOLTON DIRECTOR	1.00	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								238,367.	0.	23,836.
d Total (add lines 1b and 1c)								238,367.	0.	23,836.

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

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

Section B. Independent Contractors

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

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

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

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	242,638.				
	b	Membership dues					
	c	Fundraising events	384,950.				
	d	Related organizations					
	e	Government grants (contributions)	640,787.				
	f	All other contributions, gifts, grants, and similar amounts not included above	2,228,951.				
	g	Noncash contributions included in lines 1a-1f, \$	953,088.				
	h	Total. Add lines 1a-1f	3,497,326.				
Program Service Revenue	2 a	CLIENT RENT AND UTILIT	66,143.	66,143.			
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f	66,143.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	14,337.			14,337.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a		(i) Real				
			(ii) Personal				
			Gross rents				
			Less: rental expenses				
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7 a		(i) Securities				
			(ii) Other	2,427.			
			Gross amount from sales of assets other than inventory				
			Less: cost or other basis and sales expenses	0.			
	c	Gain or (loss)	2,427.				
	d	Net gain or (loss)	2,427.			2,427.	
8 a		Gross income from fundraising events (not including \$ 384,950. of contributions reported on line 1c). See Part IV, line 18	49,950.				
		Less: direct expenses	87,117.				
		Net income or (loss) from fundraising events	-37,167.			-37,167.	
9 a		Gross income from gaming activities. See Part IV, line 19					
		Less: direct expenses					
		Net income or (loss) from gaming activities					
10 a		Gross sales of inventory, less returns and allowances					
		Less: cost of goods sold					
		Net income or (loss) from sales of inventory					
Miscellaneous Revenue							
11 a		OTHER PORTFOLIO/NONBUS	39,406.			39,406.	
		RENTAL INCOME	22,744.			22,744.	
		RENTAL INCOME	3,756.		3,756.		
		All other revenue					
		Total. Add lines 11a-11d	65,906.				
12	Total revenue. See instructions.	3,608,972.	66,143.	3,756.	41,747.		

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	1,669,531.	1,669,531.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	223,960.	131,514.	78,715.	13,731.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,057,901.	926,353.	11,237.	120,311.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	93,000.	74,400.	7,440.	11,160.
9 Other employee benefits	39,698.	31,758.	3,176.	4,764.
10 Payroll taxes	108,111.	86,489.	8,649.	12,973.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	18,375.		18,375.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	22,030.	22,030.		
12 Advertising and promotion	19,112.	11,325.	201.	7,586.
13 Office expenses	75,658.	41,737.	5,500.	28,421.
14 Information technology	49,248.	39,304.	3,927.	6,017.
15 Royalties				
16 Occupancy	252,381.	242,978.	5,854.	3,549.
17 Travel	9,100.	8,511.	366.	223.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	11,576.	10,117.	732.	727.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	230,345.	197,147.	17,610.	15,588.
23 Insurance	25,724.	22,700.	1,328.	1,696.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a DONATED MATERIALS	952,075.	952,075.	0.	
b PROGRAM EXPENSES	284,610.	284,610.		
c WORKERS COMPENSATION	17,061.	13,649.	1,365.	2,047.
d BANK CHARGES	7,002.	0.	7,002.	
e All other expenses SEE SCH O	-1,669,531.	-1,669,531.		
25 Total functional expenses. Add lines 1 through 24e	3,496,967.	3,096,697.	171,477.	228,793.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	1,008,172.	1	560,348.
	2 Savings and temporary cash investments	438,049.	2	340,693.
	3 Pledges and grants receivable, net	456,705.	3	363,451.
	4 Accounts receivable, net		4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	101,077.	9	71,905.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 7,978,031.		
	b Less: accumulated depreciation	10b 974,580.	7,151,715.	10c 7,003,451.
	11 Investments - publicly traded securities	698,753.	11	742,774.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	405,182.	15	411,384.
16 Total assets. Add lines 1 through 15 (must equal line 34)	10,259,653.	16	9,494,006.	
Liabilities	17 Accounts payable and accrued expenses	278,685.	17	141,929.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	203,051.	21	195,466.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	781,773.	23	23,571.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	22,198.	25	9,508.
	26 Total liabilities. Add lines 17 through 25	1,285,707.	26	370,474.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	8,671,088.	27	8,702,293.
	28 Temporarily restricted net assets	302,858.	28	421,239.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	8,973,946.	33	9,123,532.	
34 Total liabilities and net assets/fund balances	10,259,653.	34	9,494,006.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,608,972.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,496,967.
3	Revenue less expenses. Subtract line 2 from line 1	3	112,005.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	8,973,946.
5	Net unrealized gains (losses) on investments	5	32,346.
6	Donated services and use of facilities	6	160,385.
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-155,150.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	9,123,532.

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization **FAMILIES FORWARD** Employer identification number **33-0086043**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? _____
 - (ii) A family member of a person described in (i) above? _____
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above? _____
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	3118940.	2745678.	2939101.	4099358.	3497326.	16400403.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	3118940.	2745678.	2939101.	4099358.	3497326.	16400403.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						16400403.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	3118940.	2745678.	2939101.	4099358.	3497326.	16400403.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	18,007.	13,310.	10,318.	19,673.	76,487.	137,795.
9 Net income from unrelated business activities, whether or not the business is regularly carried on					77.	77.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)				7,722.		7,722.
11 Total support. Add lines 7 through 10						16545997.
12 Gross receipts from related activities, etc. (see instructions)					12	495,575.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	99.12	%
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	99.40	%
16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>		
b 33 1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15		%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16		%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17		%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18		%

19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Name of the organization

Employer identification number

FAMILIES FORWARD

33-0086043

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization FAMILIES FORWARD	Employer identification number 33-0086043
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	COUNTY OF ORANGE 10 CIVIC CENTER PLZ STE 107 SANTA ANA, CA 92701	\$ 256,354.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	KASE FAMILY TRUST 25291 ALDEA CT MISSION VIEJO, CA 92691	\$ 139,270.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	ORANGE COUNTY UNITED WAY 18012 MITCHELL ST. IRVINE, CA 92614	\$ 242,638.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	PACIFIC LIFE FOUNDATION 700 NEWPORT CENTER DR NEWPORT BEACH, CA 92660	\$ 110,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	IRVINE UNIFIED SCHOOL DISTRICT 5050 BARRANCA PKWY IRVINE, CA 92604	\$ 105,459.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	ANONYMOUS 8 THOMAS IRVINE, CA 92618	\$ 75,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization FAMILIES FORWARD	Employer identification number 33-0086043
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	<u>HUD OFFICE OF COMMUNITY PLANNING</u> <u>611 W 6TH STREET</u> <u>LOS ANGELES, CA 90017</u>	\$ <u>210,082.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization FAMILIES FORWARD	Employer identification number 33-0086043
---	---

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____

Name of organization FAMILIES FORWARD	Employer identification number 33-0086043
---	---

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization: FAMILIES FORWARD; Employer identification number: 33-0086043

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two yes/no questions about property control and private benefit.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 3 columns: Question, Held at the End of the Tax Year. Rows include purpose(s) of easements, total number, acreage, and number of easements on historic structures, plus monitoring and expense questions.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 3 columns: Question, Amount. Rows include questions about reporting works of art and historical treasures, and amounts for revenues and assets.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment %
- b Permanent endowment %
- c Temporarily restricted endowment %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,816,633.		2,816,633.
b Buildings		4,766,333.	784,683.	3,981,650.
c Leasehold improvements				
d Equipment		24,998.	24,998.	0.
e Other		370,067.	164,899.	205,168.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				7,003,451.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) CLIENT DEPOSITS	9,508.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	9,508.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	3,815,490.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a	32,346.	
b	Donated services and use of facilities	2b	160,385.	
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d	13,787.	
e	Add lines 2a through 2d			2e 206,518.
3	Subtract line 2e from line 1			3 3,608,972.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			4c 0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)			5 3,608,972.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	3,665,904.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a	168,937.	
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d			2e 168,937.
3	Subtract line 2e from line 1			3 3,496,967.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			4c 0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)			5 3,496,967.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART IV, LINE 2B:

THE ORGANIZATION IS TRUSTEE AND REMAINDER BENEFICIARY OF AN IRREVOCABLE CHARITABLE REMAINDER TRUST. THIS AMOUNT REPRESENTS THE PRESENT VALUE OF THE EXPECTED FUTURE ANNUITY PAYMENTS TO THE DONOR AND IS RECORDED AS LIABILITY FOR AMOUNTS HELD FOR OTHERS.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

UNREALIZED GAIN ON CHARITABLE REMAINDER TRUST 13,787.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		ANNUAL GALA (event type)	(event type)	NONE (total number)	
Revenue	1 Gross receipts	434,900.			434,900.
	2 Less: Contributions	384,950.			384,950.
	3 Gross income (line 1 minus line 2)	49,950.			49,950.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	63,349.			63,349.
	8 Entertainment				
	9 Other direct expenses	23,768.			23,768.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				87,117.
	11 Net income summary. Subtract line 10 from line 3, column (d)				-37,167.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization operates gaming activities: _____
a Is the organization licensed to operate gaming activities in each of these states? Yes No
b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
b If "Yes," explain: _____

- 11 Does the organization operate gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity operated in:

	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
13a			%
13b			%

 - a The organization's facility
 - b An outside facility
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer Employee Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
HOUSING -	324	0.	546,960.	COST-HOUSING/CHILDCARE/REPAIR/;STD COST-FOOD/HSEHOLD GOODS;FMV-GIFTCARDS	HOUSING, FOOD & HOUSEHOLD GOODS, CAR REPAIR, COMPUTER, CLOTHING, COUNSELING SVCS, LIFE SKILLS SVCS, CAREER SVCS,
HOMELESS PREVENTION -	11648	0.	1,122,571.	COST-FOOD/HSEHOLD GOODS/CAREER COACHING/HEALTH SVCS;FMV-SCHOOL	FOOD, HOUSEHOLD GOODS, REFERRAL SVCS, BACKPACKS AND SCHOOL SUPPLIES, CLOTHING, HOLIDAY GIFTS AND GIFT

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

(F) DESCRIPTION OF NON-CASH ASSISTANCE: HOUSING, FOOD & HOUSEHOLD GOODS, CAR REPAIR, COMPUTER, CLOTHING, COUNSELING SVCS, LIFE SKILLS SVCS, CAREER SVCS, FURNISHINGS, GIFT CARDS, CHILDCARE, OTHER CLIENT SERVICES

(F) DESCRIPTION OF NON-CASH ASSISTANCE: FOOD, HOUSEHOLD GOODS, REFERRAL SVCS, BACKPACKS AND SCHOOL SUPPLIES, CLOTHING, HOLIDAY GIFTS AND GIFT CARDS, THANKSGIVING MEALS, CAREER COACHING/WORKSHOPS, DENTAL, MEDICAL & MENTAL HEALTH SVCS, RENTAL ASSISTANCE

Part IV Supplemental Information

FORM 990, SCHEDULE I, PART III, COLUMN B, NUMBER OF RECIPIENTS
THERE WERE 324 RECIPIENTS OF ASSISTANCE THROUGH THE
HOUSING PROGRAM. PLEASE NOTE THAT THIS NUMBER WAS UNDUPLICATED
RECIPIENTS. THERE WERE 11,648 RECIPIENTS OF ASSISTANCE THROUGH THE
HOMELESS PREVENTION PROGRAM. PLEASE NOTE THAT THIS NUMBER INCLUDES
DUPLICATED RECIPIENTS AS SOME INDIVIDUALS RECEIVED MULTIPLE SERVICES.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

2013

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

Open to Public Inspection

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization

FAMILIES FORWARD

Employer identification number

33-0086043

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
	b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input checked="" type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
	a Receive a severance payment or change-of-control payment?	4a	X
	b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
	c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
	a The organization?	5a	X
	b Any related organization?	5b	X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
	a The organization?	6a	X
	b Any related organization?	6b	X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization **FAMILIES FORWARD** Employer identification number **33-0086043**

Part I	Types of Property	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods	X		207,383.	STANDARD COST
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded				
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory	X	330,112	544,194.	STANDARD COST
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (<u>GIFTS FOR FAM</u>)	X	0	201,511.	STANDARD COST
26	Other ▶ (_____)				
27	Other ▶ (_____)				
28	Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 - 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2013)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public
Inspection

Name of the organization

FAMILIES FORWARD

Employer identification number

33-0086043

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

COUNSELING, EDUCATION AND OTHER SUPPORT SERVICES.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

INDIVIDUALS, FAMILIES, BUSINESSES, SCHOOLS, FAITH AND CIVIC GROUPS.

THE CAREER COACHING PROGRAM HELPED 187 INDIVIDUALS DEVELOP THE CRITICAL

SKILLS THEY NEED TO FIND A JOB AND INCREASE THEIR INCOME. FAMILIES

FORWARD SUPPORTED EDUCATION BY DISTRIBUTING BACKPACKS FULL OF SCHOOL

SUPPLIES AND CLOTHING TO 1,044 CHILDREN IN GRADES K-12. THE COMMUNITY

RESOURCE FAIR BROUGHT TOGETHER 57 LEADING SERVICE PROVIDERS TO OFFER

FREE HEALTH SCREENINGS, LEGAL ADVICE, FINANCIAL COUNSELING, WORKSHOPS,

AND CHILDREN'S ACTIVITIES TO 711 CHILDREN AND ADULTS. FOR THE

THANKSGIVING PROGRAM, 723 FAMILIES RECEIVED BASKETS OF DONATED HOLIDAY

FOOD ORGANIZED AND DISTRIBUTED BY VOLUNTEERS. FOR THE ADOPT A FAMILY

PROGRAM, THROUGH THE ENORMOUS GENEROSITY OF THE COMMUNITY,

APPROXIMATELY 1,740 CHILDREN (OVER 633 FAMILIES) RECEIVED GIFTS FOR THE

HOLIDAYS. THE COMMUNITY CARES PROGRAM HAS 71 HEALTHCARE PROFESSIONALS

WHO GENEROUSLY VOLUNTEERED THEIR SERVICES TO PROVIDE 100 MEDICAL

SERVICES AT NO COST TO FAMILIES IN THE HOUSING PROGRAM. ALSO, NEWLY

LAUNCHED IN THE LATTER PART OF THE FISCAL YEAR IS A COMMUNITY

COUNSELING PROGRAM THAT PROVIDED 54 INDIVIDUALS WITH COUNSELING

SERVICES.

FORM 990, PART VI, SECTION B, LINE 11:

THE TAX REVIEW POLICY PROCEDURE IS THAT AFTER THE FORM 990 IS

PREPARED, IT IS FIRST REVIEWED BY THE EXECUTIVE COMMITTEE. IT IS THEN

Name of the organization

FAMILIES FORWARD

Employer identification number

33-0086043

REVIEWED BY THE ENTIRE BOARD WITH TIME FOR COMMENTS/CHANGES BEFORE BEING FINALIZED AND FILED.

FORM 990, PART VI, SECTION B, LINE 12C:

THE POLICY IS GIVEN TO ALL DIRECTORS AT THE FIRST BOARD MEETING OF THE YEAR. WE ENSURE THAT ALL DIRECTORS SIGN, REVIEW THEIR STATEMENTS AND FOLLOW UP ON ANY ITEMS OF CONCERN.

FORM 990, PART VI, SECTION B, LINE 15:

A GUIDELINE OF SALARY RANGES FOR ALL EMPLOYEES IS SET WITHIN THE 50TH AND 100TH PERCENTILE FOR LIKE POSITIONS IN ORANGE COUNTY. THE MOST RECENT YEAR NON-PROFIT SALARY SURVEY DISTRIBUTED BY THE CENTER FOR NON-PROFIT MANAGEMENT IS USED TO DEVELOP THE RANGES FOR ALL POSITIONS. ALL RANGES ARE REVIEWED EVERY 2 YEARS. THE FINANCE COMMITTEE ANNUALLY RECOMMENDS A POOL OF DOLLARS TO BE ALLOCATED TO SALARY ADJUSTMENTS. THE HUMAN RESOURCES COMMITTEE REVIEWS THE RECOMMENDATION AND PROCESS FOR DETERMINING THE ADJUSTMENT. ALL STAFF RAISES ARE MADE UPON THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR AND ARE SUBJECT TO FINAL APPROVAL BY THE HUMAN RESOURCES COMMITTEE. THE EXECUTIVE DIRECTOR COMPENSATION IS SET AND APPROVED BY THE EXECUTIVE COMMITTEE. THE TOTAL SALARY RECOMMENDATION IS APPROVED BY THE BOARD AS PART OF THE ANNUAL BUDGET PROCESS.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST. OUR LATEST ANNUAL AUDITED FINANCIAL STATEMENTS ARE AVAILABLE ON OUR WEBSITE OR UPON REQUEST.

Name of the organization FAMILIES FORWARD	Employer identification number 33-0086043
---	---

FORM 990, PART I LINES 3 AND 4 AND PART VII

EXPLANATION OF THE DIFFERENCE REPORTED IN PART I LINES 3
AND 4 AND PART VII:

PLEASE NOTE THAT THE NUMBER OF INDEPENDENT VOTING MEMBERS AT THE END OF
THE FISCAL YEAR IS LISTED IN PART I LINES 3 AND 4 OF THE FORM 990.

THIS AMOUNT INCLUDES ALL DIRECTORS WHO SERVED ON THE BOARD AS OF
SEPTEMBER 30, 2014. THIS NUMBER DIFFERS FROM THE NUMBER OF DIRECTORS
LISTED IN PART VII OF THE FORM 990 AS PART VII LISTS ALL DIRECTORS WHO
SERVED ON THE BOARD DURING THE FISCAL YEAR. THE ORGANIZATION IS
ADHERING TO THE REPORTING REQUIREMENTS SET FORTH IN THE INSTRUCTIONS OF
THE FORM 990.

FORM 990, PART IX, LINE 11G, OTHER FEES:

CONSULTANTS:

PROGRAM SERVICE EXPENSES	22,030.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	22,030.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	22,030.

FORM 990, PART IX, LINE 24E, ALL OTHER FUNCTIONAL EXPENSES:

OCCUPANCY EXPENSES - RENTAL INCOME SUBJECT TO UBI:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	3,679.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	3,679.

Name of the organization

FAMILIES FORWARD

Employer identification number

33-0086043

LESS OCCUPANCY EXPENSES ALLOCATED TO RENTAL INCOME SUBJECT TO UBI:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	-3,679.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	-3,679.

LESS ASSISTANCE TO INDIVIDUALS:

PROGRAM SERVICE EXPENSES	-1,669,531.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	-1,669,531.
TOTAL OTHER EXPENSES ON FORM 990, PART IX, LINE 24E, COL A	-1,669,531.

FORM 990, PART IX, STATEMENT OF FUNCTIONAL EXPENSES, LINE 2GRANTS AND ASSISTANCE:

THE TOTAL AMOUNT OF GRANTS AND ASSISTANCE PROVIDED TO INDIVIDUALS BY THE ORGANIZATION TOTALED \$1,669,531 FOR THE YEAR. THIS AMOUNT IS REPORTED ON LINE 2 OF THE FORM 990, PART IX, STATEMENT OF FUNCTIONAL EXPENSES. THE VARIOUS AMOUNTS ARE ALSO INCLUDED IN THE THE FOLLOWING EXPENSE CATEGORIES, PROGRAM EXPENSES, DONATED MATERIALS, AND OCCUPANCY. AS THE GRANTS ARE REPORTED TWICE, ON LINE 2 AND THE DETAILED EXPENSE CATEGORIES, THERE IS A CONTRA ACCOUNT, LESS ASSISTANCE TO INDIVIDUALS, IN THE AMOUNT OF (\$1,669,531) TO PROPERLY REFLECT THE TOTAL PROGRAM EXPENSE. SEE SCHEDULE I FOR MORE DETAILS.

FORM 990, PART IX, STATEMENT OF FUNCTIONAL EXPENSES

Name of the organization

FAMILIES FORWARD

Employer identification number

33-0086043

OCCUPANCY EXPENSES RELATED TO RENTAL INCOME SUBJECT TO

UNRELATED BUSINESS INCOME TAX:

THE TOTAL AMOUNT OF OCCUPANCY EXPENSES TOTALED \$3,679 FOR THE YEAR.

THIS AMOUNT IS REPORTED IN OTHER EXPENSES THE FORM 990, PART IX,

STATEMENT OF FUNCTIONAL EXPENSES. THE VARIOUS AMOUNTS ARE ALSO

INCLUDED IN THE THE FOLLOWING EXPENSE CATEGORIES, DEPRECIATION,

INTEREST, INSURANCE, AND OCCUPANCY. AS THE OCCUPANCY EXPENSES ARE

REPORTED TWICE, IN OTHER EXPENSES ON LINE 24E AND THE DETAILED EXPENSE

CATEGORIES, THERE IS A CONTRA ACCOUNT, LESS OCCUPANCY EXPENSES

ALLOCATED TO RENTAL INCOME SUBJECT TO UBI, IN THE AMOUNT OF (\$3,679) TO

PROPERLY REFLECT THE TOTAL MANAGEMENT AND GENERAL EXPENSE.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

DONATED SERVICES AND USE OF FACILITIES	-168,937.
--	-----------

UNREALIZED GAIN ON CHARITABLE REMAINDER TRUST - RESTRICTED	
--	--

ACTIVITY	13,787.
----------	---------

TOTAL TO FORM 990, PART XI, LINE 9	-155,150.
------------------------------------	-----------

FORM 990, PART XII LINE 2C

AUDIT COMMITTEE:

THE BOARD OF DIRECTORS HAS CONSTITUTED AN AUDIT COMMITTEE AND DELEGATED

TO THAT COMMITTEE THE RESPONSIBILITY FOR ENGAGING INDEPENDENT AUDITORS

AND MONITORING THE AUDIT PROCESS. THIS STRUCTURE HAS BEEN IN EFFECT IN

PRIOR YEARS AND WAS NOT CHANGED IN 2013.

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 1

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
09/30/13	141.	0.	141.	141.
NOL CARRYOVER AVAILABLE THIS YEAR			141.	141.

FORM 990-T SCHEDULE E - OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
BUILDING DEPRECIATION		13,343.	
MORTGAGE INTEREST		1,384.	
BUILDING INSURANCE		1,004.	
UTILITIES		4,534.	
SECURITY		268.	
MAINTENANCE		3,430.	
OPERATIONS SUPPORT COST		2,000.	
- SUBTOTAL -	1		25,963.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)			25,963.

FORM 990-T AVERAGE ACQUISITION DEBT ON OR ALLOCABLE TO DEBT-FINANCED PROPERTY STATEMENT 3

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE ACQ DEBT		402,999.	
- SUBTOTAL -	1		402,999.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 4			402,999.

FORM 990-T

AVERAGE ADJUSTED BASIS OF OR
ALLOCABLE TO DEBT-FINANCED PROPERTY

STATEMENT 4

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE ADJ BASIS		2,843,132.	
- SUBTOTAL -	1		2,843,132.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 5			2,843,132.

**AMENDED AND RESTATED BYLAWS
OF
FAMILIES FORWARD, INC.,
A California Nonprofit Public Benefit Corporation**

Revised October 25, 2012

ARTICLE I

PRINCIPAL OFFICE

The principal office for the transaction of the business of the corporation is 9221 Irvine Boulevard, Irvine, California, Orange County, California 92618. The board of directors of the corporation (the “Board”) may, at any time or from time to time, change the location of the principal office from one location to another within Orange County, California or add satellite sites without amendment of these Bylaws.

ARTICLE II

OBJECTIVES AND PURPOSES

The specific and primary purpose of the corporation is to provide housing and support services, including counseling and education services, to homeless and low-income families in the area of Orange County, California, so that they might achieve and maintain self-sufficiency. The corporation may engage in any other activities reasonably related to or in furtherance of this purpose. Notwithstanding any other provision of these Bylaws, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) (or the corresponding provision of any future United States Internal Revenue law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code (or the corresponding provision of any future United States Internal Revenue law).

ARTICLE III

NONPARTISAN ACTIVITIES

The corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. The corporation is organized under the California Nonprofit Public Benefit Corporation Law (the “NPBCL”) for public and charitable purposes. No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publication or distribution of statements) on behalf of (or in opposition to) any candidate for public office.

ARTICLE IV

DEDICATION OF ASSETS

The property of the corporation is irrevocably dedicated to charitable purposes. No part of the net income or assets of the corporation shall ever inure to the benefit of any director, officer or member of the corporation or to the benefit of any private person. Upon the dissolution or winding up of the corporation, all assets remaining after payment (or provision for payment) of all debts and liabilities of the corporation shall be distributed to a nonprofit fund, foundation or corporation, which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Code (or the corresponding provision of any future United States Internal Revenue law).

ARTICLE V

DIRECTORS

Section 1. Number of Directors

(a) The authorized number of directors of the corporation shall be not less than fifteen (15) and not more than thirty (30) persons, the exact number to be fixed from time to time by a resolution adopted by the Board.

(b) The minimum and maximum number of directors of the corporation as stated in subsection 1(a) of this Article V may be changed only by amendment of these Bylaws as set forth in Section 3 of Article XII of these Bylaws.

Section 2. Interested Persons as Directors

No more than 49 percent of the persons serving on the Board may be interested persons. For purposes of these Bylaws, an “interested person” is (1) any person currently being compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise excluding any reasonable compensation paid to a director as a director; and (2) 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 such person. However, any violation of this Section 2 shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 3. Term and Election of Directors

Directors shall be elected at each annual meeting of the Board to hold office for a term of three (3) years by plurality vote of the directors in office immediately preceding the election; however, if an annual meeting is not held or the directors are not elected at an annual meeting, the directors may be elected at any special meeting of the Board held for that purpose or at any subsequent regular meeting of the Board, in each case, by plurality vote of the directors in office immediately preceding the election. Each director, including a director elected to fill a vacancy

or elected at a special meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified, unless the director is earlier removed from office. Each director may serve two (2) consecutive three (3) year terms. A director's second consecutive term may be extended, to complete service as an elected officer, committee chair, or special event officer, or to coincide with the end of the calendar year; provided that no such extension may exceed twelve (12) months. After the completion of the earlier of: (1) a director's second consecutive three (3) year term, and (2) seven years of service as a director, such director may not be a member of the Board for a period of at least one (1) year.

Section 4. Vacancies in the Board

(a) A vacancy on the Board may be filled by the Board for the balance of the unexpired term and until a successor has been elected and qualified, or if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice complying with Section 7 of this Article V of these Bylaws, or (3) a sole remaining director.

(b) A vacancy or vacancies in the Board shall be deemed to exist in the event of (1) the death or resignation of any Board member; (2) the declaration by resolution of the Board of a vacancy of the office of a director who has been declared of unsound mind by a final order of court or convicted of a felony or has been found by a final order or judgment of any court to have breached any duty under Sections 5230 through 5239 of the NPBCCL; (3) any removal of a director pursuant to Section 6 of this Article V; (4) an increase in the authorized number of directors; or (5) the failure to elect the number of directors to be elected at a meeting at which any director or directors are to be elected.

Section 5. Leave of Absence

(a) Directors in good standing for a minimum of one (1) year are eligible to request a leave of absence from attendance at Board meetings, to accommodate special circumstances, for a period of up to three (3) months, with an option to renew for an additional period, not to exceed a further three (3) months. Any such leave of absence must be approved by the Board, provided however, that the Executive Committee may approve any renewal to the initial three (3) month period, provided such extension is consistent with the provisions of this Section 5 of Article V. The expiration date of the director's term shall remain unchanged notwithstanding any approved leave of absence.

(b) Requests for a leave of absence shall be submitted in writing to the Chair of the Board. The Executive Committee will consider such requests and make a recommendation for a vote by the Board at the next regularly scheduled Board meeting. Directors on official leave of absence shall be forwarded all correspondence routinely received by active directors.

(c) Members of the Board on official leave of absence may not exceed 10% of the entire number of authorized Board members at any time.

Section 6. Resignation and Removal of Board Members

(a) Any director may resign effective upon giving written notice to the President, the Secretary or the Chair of the Board unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, the Board may elect a successor to take office when the resignation becomes effective. Except on notice to the Attorney General of the State of California, no director may resign if the corporation would be left without a duly elected director or directors.

(b) Any director may be removed without cause by vote of a majority of the directors then in office. Without limiting the foregoing, a director may be removed by vote of a majority of the directors then in office when such director fails to attend two regular Board meetings in any one fiscal year period without providing advance notice to the President or the Secretary of such director's expected absence. The entire Board or any individual member of the Board may be removed from office as provided in the NPBCL.

(c) Any reduction of the authorized number of directors does not remove any director prior to the expiration of such director's term of office unless the reduction or any amendment also provides for the removal of one or more specified directors.

Section 7. Time and Place of Meetings

(a) Annual meetings of the Board shall be held for the purpose of organization, election of directors and officers and for the transaction of other business. Annual meetings will generally be held in the month of August, but the specific time and place for the annual meeting shall be set by resolution of the Board.

(b) Regular meetings of the Board shall be held at the time and place specified in a resolution adopted by the Board.

(c) Special meetings of the Board may be called by the Chair, the President, or any Vice President or the Secretary or any two (2) members of the Board.

(d) Regular meetings of the Board may be held without notice if the time and place of the meetings are fixed by the Board. Notice of all other meetings of the Board shall be given. Either four (4) days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, electronic mail or other electronic transmission shall be given. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board. Notices shall be addressed to each director at his or her address as shown on the books of the corporation.

(e) Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(f) Directors may participate in a meeting through the use of conference telephone, electronic video screen communication, or electronic transmission by and to the corporation. Participation in a meeting through use of conference telephone or electronic video screen communication constitutes presence in person at that meeting, as long as all members participating in such meeting are able to hear one another. Participation in a meeting through the use of electronic transmission by and to the corporation, other than conference telephone and electronic video screen communication, constitutes presence in person at such meeting if both the following apply:

(i) Each member participating in the meeting can communicate with all of the other members concurrently.

(ii) Each member is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(g) Notwithstanding anything to the contrary set forth in these Bylaws, any action required or permitted to be taken by the Board under any provisions of the NPBCL may be taken without a meeting, if all the members of the Board 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 and shall have the same force and effect as a unanimous vote of such directors. "All members of the Board" as used in this subsection 7(g) of this Article V does not include any "interested director" as defined in Section 5233 of the NPBCL and Section 2 of this Article V.

Section 8. Quorum and Adjournment with Respect to Meetings of the Board

(a) Except as otherwise permitted or required by applicable law, the presence of at least one-third (1/3) of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, provided that a quorum may not be less than one-fifth (1/5) the number of directors authorized pursuant to these Bylaws.

(b) A majority of directors present, whether or not a quorum is present, may adjourn the meeting, to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, prior to the time of the adjourned meeting, to the directors who are not present at the time of adjournment.

Section 9. Director Voting

(a) Each director present and voting at a meeting shall have one vote on each matter presented to the Board for action at the meeting. No director may vote at any meeting by proxy.

(b) Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board, unless these Bylaws, the Articles of Incorporation of the corporation or the provisions of the NPBCL require a greater percentage or different voting rules for approval of a matter by the Board.

(c) A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors and consequent loss of a quorum for the meeting; provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by these Bylaws, the Articles of Incorporation of the corporation or any provision of the NPBCL.

Section 10. Powers and Duties of the Board

Subject to compliance with the NPBCL, the activities and affairs of the corporation shall be conducted, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person or persons, management company or committee however composed; provided that the activities and affairs of the corporation shall be managed and all corporate power shall be exercised under the ultimate direction of the Board.

Section 11. Prohibition Against Self-Dealing

All directors are prohibited from engaging in any self-dealing transaction with the corporation, where they have a material financial interest, as set forth in Section 5233 of the NPBCL.

ARTICLE VI

COMMITTEES

Section 1. Board Committees

(a) The Board may, by resolution adopted by a majority of the directors then in office, create one or more Board committees, each consisting of two or more directors and no persons who are not directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. Any Board committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolutions, may be delegated the powers set forth in Section 5212 of the NPBCL.

(b) The Board shall have the following standing committees: Executive Committee, Finance Committee, Fund Development Committee, Human Resources Committee and Strategic Planning Committee.

Section 2. Committee Membership

All members of the Board, in addition to their participation at monthly Board meetings, are required to serve on at least one Board committee.

Section 3. Advisory Committees

(a) The Board may, by resolution adopted by a majority of the directors then in office, designate one or more advisory committees, which may have non-director committee members, to serve at the pleasure of the Board. Subject to applicable law, the functions and duties of each such advisory committee shall be specified by resolution by the Board; however such a committee may not exercise the authority of the Board.

(b) The Board shall have the following standing advisory committees: Audit Committee and Program Committee.

Section 4. Meetings and Action of Committees

Except as the Board may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the Board or such committee, its business shall be conducted as nearly as possible in the same manner as is provided in these Bylaws for the Board. Each such committee shall keep minutes and make such reports as the Board may from time to time request.

Section 5. Executive Committee

(a) The corporation shall have an executive committee of the Board (the “Executive Committee”). The Executive Committee, unless limited by these Bylaws or a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the corporation between meetings of the Board; provided, however, that the Executive Committee may not be delegated the powers set forth in Section 5212 of the NPBCL.

(b) The Executive Committee shall consist of all elected officers of the corporation and the immediate past President, to the extent such officers and former officer remain directors of the Board. The President may appoint others to serve on the Executive Committee from time to time, provided such persons are directors of the corporation.

(c) Notice of a special meeting of the Executive Committee shall be given as set forth in subsection 7(d) of Article V of these Bylaws, or on such shorter notice as the person or persons calling such meeting may deem reasonably necessary and appropriate in the circumstances.

Section 6. Audit Committee

(a) The corporation shall have an audit committee of the Board (the “Audit Committee”). The Audit Committee shall assist the Board in fulfilling its oversight responsibilities with respect to the financial accounting and financial reporting processes of the corporation, including: (i) the annual financial information to be provided to the public and the Attorney General of the State of California; (ii) the system of internal controls that management has established; and (iii) the external audit process. The Audit Committee will make regular reports to the Board concerning its activities.

(b) Subject to the supervision of the Board, the Audit Committee shall be responsible for recommending to the Board, the retention and termination of the independent auditor and may negotiate the independent auditor's compensation, on behalf of the Board. Each independent accountant shall report directly to the Audit Committee.

(c) The cost of the independent accountants and any professionals engaged by the Audit Committee, as well as the Audit Committee's ordinary administrative expenses incurred in carrying out its duties, shall be borne by the corporation.

ARTICLE VII

OFFICERS

Section 1. Designation of Officers

The officers of the corporation shall be a President, a Vice President-Fund Development, a Vice President-Program, a Vice President-Strategic Planning, a Vice President-Human Resources, a Vice President-Audit, a Secretary, and a Treasurer (Chief Financial Officer).

Section 2. Election and Term of Office

(a) The Board shall elect the officers of the corporation specified in Section 1 of this Article VII from their own number. A Board member may serve consecutive terms as an officer.

(b) Other officers shall be appointed as prescribed by resolution of the Board establishing the office.

(c) The same person may hold more than one appointed office except that neither the Secretary nor the Treasurer may serve concurrently as the President.

(d) The term of office of each officer shall be one (1) year or until a successor has been elected, unless such officer is earlier removed from office.

Section 3. Nomination of Officers

(a) Nomination survey forms shall be distributed to each member of the Board at the June meeting of the Board, or if no meeting of the Board is held in June in the applicable year, such distribution shall be mailed to the Board during June of each year. Such survey forms shall determine (1) the willingness of all current officers to serve an additional term if nominated, (2) the willingness of current directors to serve as officers, if nominated, and (3) the identity of any current Board member whom another Board member views as a strong candidate for a particular office. When distributed at the June Board meeting, the Secretary shall mail such survey forms to absent members no later than the last day of June and all forms shall be completed and returned to the Secretary within 30 days after receipt.

(b) At the June meeting of the Board, or if no meeting is held in June in the applicable year, at the next subsequent Board meeting, the Chair of the Board shall call for nominations from the floor and conduct the election of four (4) directors to serve on the Nominating Committee. The President may not serve as a member of the Nominating Committee. Members of the Nominating Committee shall not be excluded from being named as a candidate for office. The Nominating Committee shall elect a Chair and a Secretary.

(c) The Secretary of the Board shall forward the completed nomination survey forms and any support documents to the Chair of the Nominating Committee. Support documents shall include: (1) the status and current terms of directors, (2) references relating to the nomination process set forth in these Bylaws. Upon review, members of the Nominating Committee shall contact each potential candidate to determine his or her willingness to accept the nomination. Once a proposed slate of officers is acceptable to the candidates and the Nominating Committee, the Secretary of the Nominating Committee shall forward the slate to the Chair of the Board and Secretary of the Board.

(d) The proposed slate of officers shall be included on the agenda for the July meeting of the Board, or if no meeting is held in July, on the agenda for the next subsequent Board meeting. The Chair of the Nominating Committee shall call for additional nominations from the floor at the August meeting of the Board and new officers shall be elected at such meeting pursuant to Section 2 of this Article VII, or if no meeting is held in August, at the next subsequent Board meeting.

Section 4. Removal and Resignation of Officers

(a) Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board.

(b) Any officer may resign at any time upon written notice to the Board, the President or the Secretary of the corporation. Any such resignation shall take effect at the time of the receipt of such notice or at any later time specified therein and, unless otherwise specified in such resignation, the acceptance of the same shall not be necessary to make the resignation effective.

Section 5. Vacancies in the Offices of the Corporation

A vacancy in any office of the corporation because of death, resignation, removal, disqualification or other cause shall be filled by resolution of the Board.

Section 6. Responsibilities of Officers

(a) Transition Responsibilities. At the end of a term of office, elected officers shall pass along records and related information to their successor and shall provide their successor with training before turning over their duties.

(b) Service on the Executive Committee. All officers shall serve on the Executive Committee.

(c) President. Subject to the control of the Board, the President shall have the general supervision, direction and control of the business and affairs of the corporation and of its officers, employees and agents, including the right to employ, discharge and prescribe the duties and compensation of all such officers, employees and agents of the corporation, except where such matters are prescribed in these Bylaws or by the Board. In addition, the President shall be an ex-officio member of all the committees of the Board, with the exception of the Nominating Committee, as set forth and described in these Bylaws.

(d) Vice President - Fund Development. The Vice President - Fund Development shall perform, under the direction of the President, duties and responsibilities of fund development for the corporation and shall serve as Chair of the Fund Development Committee. The Vice President - Fund Development shall appoint the Chair of all fund-raising events and shall oversee the coordination of fund raising activities. In the absence or disability of the President, the duties of the President shall be exercised by the Vice President - Fund Development. The Vice President - Fund Development shall have such other powers and perform such other duties as may be prescribed, from time to time, by the Board.

(e) Vice President – Human Resources. The Vice President – Human Resources shall perform, under the direction of the President, duties and responsibilities related to employment matters of the corporation and shall serve as Chair of the Human Resources Committee. The Vice President – Human Resources shall have such other powers and perform such other duties as may be prescribed, from time to time, by the Board.

(f) Vice President - Program. The Vice President - Program shall perform, under the direction of the President, duties and responsibilities related to program management of the corporation and shall serve as Chair of the Program Committee. The Vice President - Program shall have such other powers and perform such other duties as may be prescribed, from time to time, by the Board.

(g) Vice President - Strategic Planning. The Vice President - Strategic Planning shall perform, under the direction of the President, duties and responsibilities of strategic management of the corporation and shall serve as Chair of the Strategic Planning Committee. The Vice President - Strategic Planning shall have such other powers and perform such other duties as may be prescribed, from time to time, by the Board.

(h) Vice President – Audit. The Vice President – Audit shall perform duties and responsibilities of oversight of the corporation’s financial accounting and financial reporting and shall serve as Chair of the Audit Committee. The Vice President - Audit shall have such other powers and perform such other duties as may be prescribed, from time to time, by the Board.

(i) Secretary. The Secretary shall keep or cause to be kept a full and complete record of the proceedings of the Board, including Executive Committee meetings, shall keep the seal of the corporation and affix the same to such papers and instruments as may be required in the regular course of business or as approved by the Board, shall make or cause to be made service of such notices as may be necessary or proper, and shall discharge such other duties as pertain to the office or as prescribed, from time to time, by the Board. The Secretary shall coordinate

initial activities of the Nominating Committee and thereafter maintain records of such. The Secretary shall serve as the Parliamentarian of the Board.

(j) Treasurer. The Treasurer shall serve as Chair of the Finance Committee. The Treasurer is responsible for the oversight of receipt, maintenance and disbursement of all funds of the corporation. The Treasurer shall keep and maintain, or cause to be kept and maintained books and records of account and records of all properties and transactions of the corporation. The Treasurer shall prepare or cause to be prepared monthly or more often if so directed by the Board, financial statements of the corporation. The Treasurer shall be responsible for the formation and maintenance of the annual budget for each fiscal year. The proposed budget shall be presented to the Board at least thirty (30) days before the end of the then current fiscal year. The Treasurer shall have such other powers and perform such other duties as may be prescribed, from time to time, by the Board.

Section 7. Compensation of Officers

The Board shall review and approve the compensation, including benefits, of the Executive Director or chief executive officer and the controller or chief financial officer to assure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees.

ARTICLE VIII

INDEMNIFICATION AND LIABILITY

Section 1. Definitions

For the purposes of this Article VIII, “agent” means any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise; “proceeding” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and “expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under Section 4 or 5(b) of this Article VIII.

Section 2. Indemnification in Actions by Third Parties

To the fullest extent permitted by law, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under Section 5233 of the NPBCCL or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal

proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. Indemnification in Action by or in the Right of the Corporation

To the fullest extent permitted by law, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the corporation, or brought under Section 5233 of the NPBCL, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3 of Article VIII under the following circumstances:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action, which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

Section 4. Indemnification Against Expenses

To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article VIII or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. Required Determinations

Except as provided in Section 4 of this Article VIII, any indemnification under this Article VIII shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent

has met the applicable standard of conduct set forth in Section 2 or 3 of this Article VIII, by one of the following means:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) A determination by the court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the corporation.

Section 6. Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VIII.

Section 7. Other Indemnification

No provision made by the corporation to indemnify its directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation of the corporation, these Bylaws, a resolution of directors, an agreement or otherwise, shall be valid unless consistent with Section 5238 of the NPBCL. Nothing contained in this Article VIII shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 8. Forms of Indemnification not Permitted

No indemnification or advance shall be made under this Article VIII, except as provided in Sections 4 or 5(b) of this Article VIII, in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation of the corporation, these Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification, or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. Insurance

(a) The corporation shall purchase and maintain insurance with coverage of at least \$1,000,000 on behalf of the officers and directors of the corporation against any liability asserted against or incurred by such officer or director in such capacity or arising out of such officer's or director's status as such whether or not the corporation would have the power to indemnify such officer or director against such liability under the provisions of Section 5238 of the NPBCL; provided, however, that the corporation shall have no power to purchase and maintain such

insurance to indemnify any officer or director of the corporation for a violation of Section 5233 of the NPBCL relating to self-dealing transactions.

(b) The corporation may purchase and maintain insurance on behalf of any other agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the NPBCL; provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233 of the NPBCL relating to self-dealing transactions.

Section 10. Limitation on Liability

The personal liability of the directors of the corporation shall be limited to the fullest extent permissible by law.

ARTICLE IX

CORPORATE RECORDS AND REPORTS

Section 1. Records

The corporation shall maintain its Articles of Incorporation and these Bylaws, as amended to date, and the other books, records and minutes required by Section 6320 of the NPBCL. The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two. All such materials shall be kept at the corporation's principal executive office.

Section 2. Inspection of Books and Records

All books and records of the corporation shall be open to inspection from time to time and in the manner provided by Sections 6311 and 6334 of the NPBCL.

Section 3. Annual Report

Not later than 120 days after the close of the corporation's fiscal year, the annual report required by Section 6321 of the NPBCL shall be delivered to the directors. The foregoing report shall include any information required to be reported pursuant to Section 6322 of the NPBCL.

ARTICLE X

MEMBERS

The corporation shall have no members. Accordingly, pursuant to the NPBCL, any action which would otherwise, under law or the provisions of the Articles of Incorporation of the

corporation or these Bylaws, require approval by a majority of all members or approval by the members, shall only require the approval of the Board.

ARTICLE XI

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of October and end on the 30th day of September in the following year.

ARTICLE XII

MISCELLANEOUS

Section 1. Checks and Drafts

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board.

Section 2. Execution of Contracts and Instruments

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument or documents in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount.

Section 3. Amendment of Bylaws

Subject to any provision of law applicable to the amendment of bylaws of a California public benefit nonprofit corporation, these Bylaws, or any of them, may be altered, amended or repealed, and new Bylaws adopted, by the Board. Bylaws may be amended or repealed at an annual, regular or special meeting of the Board.

Section 4. Gifts

The directors may accept, on behalf of the corporation, any contribution, gift, bequest or devise for the charitable purposes of the corporation.

Section 5. Loans

The corporation shall not make any loan of money or property to or guarantee the obligation of any director or officer unless permitted by Section 5236 of the NPBCL.

**RESOLUTIONS of
THE
BOARD OF DIRECTORS
OF
FAMILIES FORWARD,
a California Nonprofit Public Benefit Corporation**

Amendment and Restatement of Articles of Incorporation

WHEREAS, the board of directors (the "Board") of Families Forward, a California nonprofit public benefit corporation (the "Corporation") has determined that it is in the best interests of the Corporation to amend and restate its Articles of Incorporation to more accurately reflect the current purpose of the Corporation and to take any other actions that may be required, or otherwise necessary or desirable, in connection therewith; and

WHEREAS, the Board has reviewed the form of the Amended and Restated Articles of Incorporation attached hereto as Exhibit A (the "A&R Articles").

NOW, THEREFORE, BE IT RESOLVED, that the A&R Articles be, and they hereby are, adopted, approved and authorized in the form attached hereto as Exhibit A; and

RESOLVED, FURTHER, that the officers of the Corporation be, and each of them acting alone is hereby, authorized and empowered on behalf of and in the name of the Corporation to execute and file or cause to be filed with the California Secretary of State the A&R Articles in substantially the form attached hereto as Exhibit A.

General Authorization

RESOLVED, that the officers of the Corporation be, and each of them acting alone hereby is, authorized and empowered, in the name and on behalf of the Corporation, to execute, file and deliver, or to cause to be executed, filed and delivered, all such other instruments, certificates and documents, to do or cause to be done all such further acts and things, and to pay or cause to be paid all necessary fees and expenses, as they or any of them may deem necessary or desirable in connection with the actions contemplated by the foregoing resolutions or to effectuate the purpose and intent of the foregoing resolutions, such approval to be conclusively evidenced by the taking of any such action or the execution, filing and delivery of any such instrument by such officer; and

RESOLVED FURTHER, that any and all actions heretofore taken by any officer of the Corporation in connection with the actions contemplated by the foregoing resolutions are hereby ratified, approved and confirmed.

EXHIBIT A

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
FAMILIES FORWARD, INC.**

Mark Harryman and Victoria Parret, certify that:

1. They are the President and Secretary, respectively, of Families Forward, a California corporation (the "Corporation").
2. The Corporation hereby amends and restates its Articles of Incorporation as follows pursuant to Sections 5810 and 5812 of the California Nonprofit Public Benefit Corporation Law:

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
FAMILIES FORWARD, INC.**

ARTICLE I

The name of the corporation is: Families Forward, Inc.

ARTICLE II

A. The corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific and primary purpose of the corporation is to provide housing and support services to homeless and low-income families in the area of Orange County, California so that they might achieve and maintain self-sufficiency. Additionally, the corporation may engage in any activities that are reasonably related to or in furtherance of its stated charitable purposes.

ARTICLE III

A. The corporation is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"). Notwithstanding any other provision of these articles of incorporation, the corporation shall not carry on any activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

B. No substantial part of the activities of the corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation; and the corporation shall not participate or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for public office.

C. The corporation shall have all the powers of a corporation under the California Nonprofit Public Benefit Corporation Law, as now in effect or hereafter amended, subject only to any limitations imposed by these articles of incorporation, the bylaws of the corporation and applicable law. Notwithstanding the preceding statement of powers, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the corporation.

ARTICLE IV

The number of directors of the corporation shall be established by the bylaws of the corporation. The number and identification of the members, if any, of the corporation shall be established by the bylaws of the corporation. The corporation shall not have any voting members.

ARTICLE V

The property of the corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of the corporation shall ever inure to the benefit of any director, officer, or member, if any, of the corporation, or any other private person (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes). Upon the winding up and dissolution of the corporation and after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be distributed to one or more nonprofit funds, foundations or corporations, which are then in existence, which are organized and operated

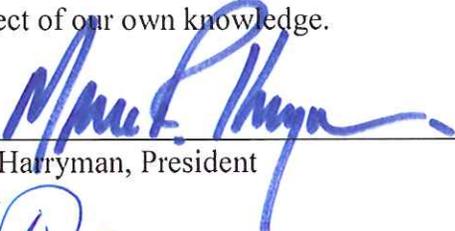
exclusively for one or more purposes which are exempt from taxation under Section 501(c)(3) of the Code.

3. The foregoing Amended and Restated Articles of Incorporation have been duly approved by the Board of Directors of the Corporation.

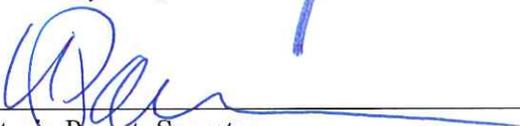
4. The Corporation does not have any members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: January 23, 2013



Mark Harryman, President



Victoria Parret, Secretary