

Organization Information

Legal Name

Palomar Family Counseling Service, Inc.

Year Founded - use date of incorporation

1992

Program Name/Title

Grandparents Raising Grandchildren

Brief Program Description

When parents are unable to raise their children, it is often grandparents who step in. Grandfamilies thrive when they get the support they need.

Grandparents Raising Grandchildren is a comprehensive service that fosters healthy grandparents and a strong and stable family.

Is this a new (pilot, recently developed) or established program?

Established Program

Program Information - Type

Ongoing

Requested Amount

15000

How much funding was received for this program in the previous 2021.2022 CHC Grant cycle?

15185.50

Organization's Mission Statement

Our enduring mission is to support and strengthen children, youth, adults, families, schools, and communities.

The mission is brought to life by an expert team of licensed counselors, therapists, case managers and paraprofessionals.

Our goals include providing the highest standard of professional service - particularly to underserved communities. Although we have grown in size and scope to annually serve over 6,000 children, adults, and families across North County, we have retained our commitment to providing comprehensive mental health services that are personal, convenient, and affordable. Long standing partnerships across North County have earned us the reputation of being collaborative and innovative.

Organization's Vision Statement

Palomar Family Counseling Service (PFCS) will become a preferred provider of community mental health services in North County. Passionate and dedicated professionals aspire to work here, clients achieve an enhanced quality of life, and collaborative partnerships are enriched by our trained expertise.

Agency Capability

In only its second year of operation, Grandparents Raising Grandchildren (GRG) has increased in size, scope, awareness and reputation. The number of grandparents receiving services continues to expand and a Spanish language support group was added. Enrollment in the program increased 45% from last year. Five grandparents who received case management services in year one, no longer required services in year two. Many who no longer require case management do stay connected, offering other grandparents advice, guidance, or just a sympathetic ear.

A notable accomplishment is the funding received from foundations, charitable trusts, endowments, and private individuals. Especially gratifying is the donations from families who previously received services. Grandparents Raising Grandchildren also received special coverage in the [Village News](#) and another feature is planned. Grandparents have created social opportunities for other grandparents and grandchildren, creating their own informal system of support. The Boys and Girls Club partnered with PFCS to provide club services over the summer at greatly reduced rates.

Emotional support and parenting guidance constitutes approximately 30% of the services provided by our Project Coordinator. This year alone, grandparents have received over 110 guided referrals to over 30 local services. It has been exceptionally gratifying to assist in the process of formal adoption with one grand family.

Satisfaction with services is consistently at the highest level on our confidential surveys. Requests for greater social opportunities and connections with other grandfamilies is an indication that the service has the capacity to sustain a system of support over time.

Agency Collaborations

PFCS has long been a member of the Community Collaborative for Health and Wellness organized by the Fallbrook Regional Health District (FRHD). This monthly meeting is an excellent opportunity to promote the program, gather information on community resources to be shared with program participants, problem solve any unforeseen barriers, and coordinate events.

Over the past two years, we have created strong collaborative relationships with Elder Law & Advocacy (legal aid), The Social Care Network, Fallbrook Senior Center, Aging & Independence Services, Southern Caregiver Resource Center, The Oceanside Kitchen Collaborative, The Food Pantry, local schools, The San Diego Regional Center, In Home Support Services, and Interfaith Community Services. These relationships improve our ability to effectively serve grandfamilies.

We have also connected closely with the YMCA's Kinship Program. The Kinship program does not extend as far north as FRHD communities, but they have agreed to collaborate and support GRG with information and resources. PFCS and the Boys and Girls Club continue to collaborate; this is particularly helpful during school holidays and breaks so that grandparents can receive much needed respite.

Target Population - Age

	Percent of program participants
Children (infants to 12)	0
Young Adults (13-17)	0
Adults (18-60)	45
Seniors (60+)	55
We do not collect this data (indicate with 100%)*	

Gender

	Percent of program participants
Female	70
Male	30
Non-binary	0
Unknown*	

Income Level

	Percent of program participants
Extremely Low-Income Limits, ceiling of \$32,100	10
Very Low (50%) Income Limits, ceiling of \$53,500	20
Low (80%) Income Limits, ceiling of \$85,600	50
Higher Than Listed Limits	20
We do not collect this data (indicate with 100%)*	

Projected number of residents that will directly benefit (participant/client) from this program.

35

Social Determinants of Health (SDOH)

Program/Services Description - Social Determinants of Health

Economic Stability (Employment, Food Insecurity, Housing Instability, Poverty)

Social & Community Context (Civic Participation, Discrimination, Incarceration, Social Cohesion)

Healthcare Access & Quality (Access to Health Care, Access to Primary Care, Health Literacy)

Program/Services Description - FRHD Community Needs Assessment

Mental Health (Social Support - Youth or Families)

Social (Economic Security, Health Literacy, Family/Child Support, Legal/Advocacy)

Statement of Need/Problem

When parents are not able to raise their children, it is often grandparents who step in.

It can come at great cost to well-being. The grandparents we serve report struggling financially, have little experience navigating bureaucratic systems for services, and are unaware of resources. Many express feelings of loneliness, isolation and high stress. They worry that their grandchildren are not receiving adequate supports for positive development. Grandfamilies face significant *health, mental health, social and financial challenges*. Of the five Social Determinants of Health, three pertain:

1. Economic security: 80% of those we serve live on fixed incomes; 25% live at or below the poverty level. Food insecurity ranks as the second highest need.
2. Social and community context: Social & emotional support is the highest need. 68% percent have a grandchild with special needs. Many feel isolated, different and alone.
3. Healthcare access: Some neglect their health due to multiple demands. Others experience significant anxiety and depression. Mental health services ranks as the third highest need.

Statement of Need/Problem - Others

Although there is no other resource specifically addressing the needs of grandparents raising grandchildren in the local community, there are organizations who provide excellent services to seniors.

Fallbrook Senior Care Center offers outstanding support, including social activities and meal services to seniors. We are proud to be recognized as one of their partners. The Foundation for Senior Care offers multiple services to seniors including a grocery delivery service and expanded transportation services. The YMCA offers kinship programs but nothing similar is offered in the Fallbrook region. 211 San Diego or the Access & Crisis Line would be responsive to a grandparent calling for assistance, however, for those that do call, they are unlikely to follow up with referrals that require them to travel far from home. 211 also offers a resource page on their website for grandparents.

Program/Services Description - Program Entry

We advertise our services through community partners across the region, including schools, senior centers, churches, libraries, and county programs. Other grandparents are also a source of connection. Individuals can self-refer or be referred by one of our community partners including local schools, senior centers, 211 San Diego, The Social Care Network, Aging & Independence Services, The Southern California Resource Center, Elder Law & Advocacy, and Child Welfare Services.

In order to reduce any barriers to service, we have no entrance criteria beyond being a grandparent raising a grandchild(ren) who would like help and support.

First contact is typically by telephone or email. All grandparents are offered a meeting to discuss areas of need. Dates and times for support and educational groups is provided. Needs assessment meetings can occur at almost any community location comfortable for the grandparent, including the family home. Video conferencing continues to be offered and remains an option moving forward. The Project Coordinator will take the time necessary to explore needs, link to services, provide general emotional support and advocacy, and plan for next steps.

Confidential self-report surveys conducted during and after the provision of services is used to gauge satisfaction. Confidential surveys are also used to assess the degree to which program outcomes have been achieved. The Project Coordinator is in routine contact with grandparents to determine whether needed services have been received or if further advocacy and support is needed.

Program/Services Description - Program Activities

Grand families thrive when they get the support they need. They need help getting health care, food and nutrition, legal services, educational supports, housing, childcare, and respite. Grandparents need assistance navigating complicated, fragmented, and siloed service systems. They need emotional support to deal with family trauma and stress. Our services include:

1. Information, Referral, and Case Management.

- Help to gain access to public benefits, including financial assistance.
- Assistance finding educational supports and communicating with the school system.
- Connections to legal assistance.
- Emergency assistance and goods, such as diapers, clothing, and furniture.
- Resources for childcare and respite care.
- Connections to mental and physical health care.
- Support to access food and nutrition programs.

We offer ongoing support, not just one interaction.

2. Education and Training.

Training and education topics include public benefits, legal matters, the child welfare system, school systems, and self-care. Grandparents also receive training on dealing with difficult behaviors, grief and trauma, and relationships with birth parents. Education and training are key to helping grandparents through the challenges they face.

3. Support Groups

Monthly support groups provide emotional, mental health, and social support, as well as problem-solving, education, and information about how to access available supports and services. Many say their connection with a support group is the strongest reinforcement they receive.

Program Goal #1

As stated earlier, grandfamilies thrive when they get the support and services they need.

Healthy grandparents are a must. They need assistance navigating complicated, fragmented, and siloed service systems. They need emotional support to deal with family trauma and stress. They need to practice self-care.

The goal of Grandparents Raising Grandchildren is to ensure the health and wellbeing of grandparents raising their grandchildren in Fallbrook and its neighboring communities of Bonsall, Rainbow, and De Luz by providing a comprehensive service that promotes a strong and stable family.

Program Objectives - Goal #1

Objective 1: Improve family functioning and decrease family stress by providing customized case management services and parent coaching.

Objective 2: Decrease social isolation and increase connection to a community of supports by providing monthly support groups and quarterly educational workshops.

Objective 3: Provide effective case management and support services that meet the needs of grandfamilies and their grandchildren, in order to create an environment where the full potential for health and well-being can be met.

Program Outcomes/Measurables - Goal & Objectives #1

OUTCOME MEASURE 1: By 6/30/23, 30 grandfamilies will be connected to the services and supports they or their grandchildren need including parent coaching and report decreased stress and improved family functioning on self-report surveys administered semi-annually.

OUTCOME MEASURE 2: By 6/30/23, 25 grandparents will participate in at least one support group or educational workshop every 6 months and report decreased feelings of loneliness, improved mood, and overall increased resilience on a self-report survey administered semi-annually.

Grandparents will also be asked to rate the benefit of educational topics offered at each of the workshops and provide input as to needed topics at monthly support groups.

OUTCOME MEASURE 3: 80% of grandparents who receive case management or support services between July 1, 2022 and June 30, 2023, will: a) rate their satisfaction with services as 9 or 10 (top highest ratings) on a 10 point scale administered 2 times per year via an anonymous electronic survey; and b) would recommend this service to a friend or family member.

Anticipated Acknowledgment

Anticipated Acknowledgment

Social Media Postings

Signage at Service Sites

Print Materials to Service Recipients

Website Display

Other

Anticipated Acknowledgment

The District's name and logo is featured on all print materials, typically underneath a title stating "*This project is made possible through the generous support of*" or "*Funding generously provided by*". When posting the logo to our website, electronic flyers, or emails, we link the logo to <https://www.fallbrookhealth.org>. Alternatively, we will also link 'visit fallbrookhealth.org' to the same web location.

PFCS has an active Facebook, Instagram and LinkedIn page; we typically post daily. We also use our Twitter account to focus on issues related to mental and behavioral health. We tag the Fallbrook Regional Health District in all related posts. We follow the District's Facebook page and frequently share, applaud, and comment on District posts and affiliated organization posts. We also follow and post in the Friends of

Fallbrook Facebook Page, tagging FRHD in all posts.

We also anticipate articles in local newspapers and participating in local presentations and podcasts. FRHD will be acknowledged in each of these activities.

FRHD CHC GRANT BUDGET INSTRUCTIONS

This file has a number of pre-formatted pages. Those sections for auto calculations and set formats are shaded in grey and should not be altered. Please keep a copy of this document as it will be used as part of the grant reporting process

There are five tabs to this file:

- 1 Instructions
- 2 Program Budget Form
- 3 Revenue Sources
- 4 Budget Narrative
- 5 Budget Reporting Form

1 Instructions:

- > All Yellow sections are to be filled out by the applicant. Grey sections will auto calculate and should not be edited by the applicant. All pages are formatted to print portrait, on 1

2 Program Budget Form:

- > PROGRAM COST: This section should reflect the true and total costs of the program.

APPLYING ORGANIZATION: This is the applicant agency's investment in their program.

- > This is the value of the resources the agency will contribute to the program's cost. These may include funds from fundraising events, private donors, in-kind goods and services, and volunteer efforts.

- > OTHER FUNDERS: These are funds or resources provided from contracts, grants and partnerships that are used to support the program's operations.

- > REQUESTED FROM FRHD: This is the funding request you are putting forward to the District.

- > The line item names may not fully align with your budget. Please edit those items to align with your budget. Explain those items on your Budget Narrative Form as necessary.

A INDIRECT EXPENSES:

This section is for expenses that are part of indirect operations of the program, necessary which may not be part of the direct service provision expenses (Administration, facility expenses, general liability ins., etc.). Please refer back to the training materials for clarification of these expenses. The District will not consider funding more than 25% of these expenses

B PERSONNEL EXPENSES - PROGRAM SPECIFIC:

As stated, this section is for staffing expenses that are directly related to the provision of the services/program. Please list each position title separately, unless there are multiple of the same title then use (x3) as an indicator. For example, if funding salaries for four separate Drivers, you would indicate as, Driver (x4) and the expense amount would be the cost of all four Drivers. Please include a single line items for general staffing expenses such as personnel expenses (Payroll taxes, WC, etc). Benefits (health, retirement, etc) should be listed on a separate line.

C DIRECT PROGRAM EXPENSES:

This section is for supplies, items and or specific expenses related to the provision of the services/program. This may include phone, rent, printing, program related insurance (e.g., vehicle), trainings and certifications.

3 Revenue Sources

Please list all sources of revenue the agency receives by category. This Form has two > sections, one for Agency Funding and one for Project Funding. Please fill out both sides of the table. Amounts do not need to be exact; however, we ask for best estimates.

4 Budget Narrative

There are headers that align with the Budget Form. These items should be explained (narrative) if they are unusual or have a specific project impact. Explanations regarding > utility expenses are generally understood, but expenses relating to training or for a specialty insurance could be expressed here.

5 Budget Reporting Form

This form will be used for those grantees who are awarded contracts. This form would be > submitted with the quarterly Impact Report and should demonstrate that funds were allocated according to the submitted proposal budget.

FRHD CHC GRANT BUDGET FORM

Agency Name:

Palomar Family Counseling Service, Inc

PROGRAM NAME:

Grandparents Raising Grandchildren

Not all line items will correspond with your program budget. If the item does not fully align either leave it blank or group it in the best category possible. However, be sure your program budget is fully itemized.

1) A	INDIRECT EXPENSES:	PROGRAM COST	APPLYING ORGANIZATION	OTHER FUNDERS	REQUESTED FROM FRHD
A1	Building Repair and Maintenance	1,712.00	1,312.00		400.00
A2	Telecommunications	400.00	400.00		
A3	Utilities	830.00	830.00		
A4	Professional Services (Audit)	1,000.00	1,000.00		
A5	Training & Education	1,600.00	1,500.00		100.00
A6	Insurance	1,850.00	1,850.00		
A7	Office Supplies	1,000.00	700.00		300.00
A8					
A9					
A10					
A11					
TOTAL INDIRECT EXPENSE		8,392.00	7,592.00	-	800.00

B	PERSONNEL EXPENSES - PROGRAM SPECIFIC	PROGRAM COST	APPLYING ORGANIZATION	OTHER FUNDERS	REQUESTED FROM FRHD
B1	Salary (Program Manager)	3,500.00	1,750.00		1,750.00
B2	Salary (Bilingual Project Coordinator)	20,800.00	-	10,400.00	10,400.00
B3	Salary (Therapist - Intern)	13,824.00	13,824.00		
B4	Salary (Administrative Aide)	1,872.00	1,872.00		
B5	Salary (Dir. Development & Comm)	3,500.00	3,500.00		
B6	Salary (Senior Accountant)	1,875.00	1,875.00		
B7	Salary (Executive Director)	2,255.00	2,255.00		
B8	Payroll Expenses (WC, taxes)	2,775.14	838.32	1,456.00	480.82
B9	Benefits	1,349.82	478.68	596.96	274.18
B10					
TOTAL PERSONNEL EXPENSE		51,750.96	26,393.00	12,452.96	12,905.00

C	DIRECT PROGRAM EXPENSES	PROGRAM COST	APPLYING ORGANIZATION	OTHER FUNDERS	REQUESTED FROM FRHD
C1	Educational Supplies & Materials	900.00	200.00	200.00	500.00
C2	Printing/Duplicating	450.00	75.00	-	375.00
C3	Travel	220.00	100.00		120.00
C4	Advertising, Fingerprinting, TB Tests	100.00			100.00
C5	Speaker/Event Fees	200.00			200.00
C6					
C7					
C8					
C9					
C10					
C11					
C12					
C13					
C14					
C15					
TOTAL OTHER EXPENSES		1,870.00	375.00	200.00	1,295.00

D	TOTAL ALL EXPENSES	PROGRAM COST	% REQUESTED FROM FRHD
		\$ 62,012.96	24%

2) FUNDING SOURCES

E	FUNDS FOR PROGRAM	
E1	APPLYING ORGANIZATION	X 34,360.00
E2	OTHER FUNDERS	Y 12,652.96
E3	REQUESTED FROM FRHD	Z 15,000.00
TOTAL FUNDING SOURCES		\$ 62,012.96

NOTE: THIS AMOUNT SHOULD BE EQUAL TO YOUR PROJECT COST.

3) % OF AGENCY BUDGET

F	CALCULATE % of Total Agency budget that this Program represents.	\$ 4,588,254.00	\$ 62,012.96	1%
		AGENCY BUDGET**	PROGRAM COST	% of AGENCY BUDGET

** Agency budget is your agency's entire budget for the year. Fill in the amount.

Agency Name:	Palomar Family Counseling Service, Inc
Program Name:	Grandparents Raising Grandchildren
Total Organization Budget (Current Fiscal Year)	\$ 4,588,254.00
Total Project Budget (Current Fiscal Year)	\$ 62,012.96

Organization Sources of Revenue
(Total Organization Budget)

Sources of Funding
(This Project Request)

Source of funds	\$ Amount	Percent of Total	One-time funding? (Yes/No)	\$ Amount	Percent of Total	One-time funding? (Yes/No)
San Diego County	3,221,454	70.21%	no			
Foundations and Corporations	84,071	1.83%	varies	\$7,000	11.3%	no
City, School District Contracts	606,885	13.23%	no			
CARES Act Relief funds	26,843	0.59%	yes			
Client Fees	572,374	12.47%	no	\$20,536	33.1%	no
FRHD	59,810	1.30%	no			
Proposed FRHD				\$15,000	24.2%	no
General Donations	11,483	0.25%	no	\$5,653	9.1%	no
Other (list): Inkind (PFCS)				\$13,824	22.3%	no
Interest & Other	4,768	0.10%	no			
Training Fund	566	0.01%	no			
Total	\$4,588,254.00	100%		\$62,013.00	100%	

* City/County

If the organization currently receives funding from any Cities or Counties, please list the jurisdiction and contract amount below.

County of San Diego: \$3,221,454; Primary funders: VCPUSD \$149,500; OUSD: \$333,675; EUHSD \$42,000; VUSD \$9,000; City of Vista \$10,000 (*) Foundation funding pending

Funding History – Grandparents Raising Grandchildren 2021/22

Funder	Date	Amount Requested	Outcome
Cushman Foundation	May 2021	\$5K	Received
Keuhn Foundation	June 2021	\$6K	Received
French Charitable Trust	September 2021	\$6K	Received
Legacy Endowment / Elisabeth Wilson Endowed Fund	October 2021	\$3K	Received
Private Donations	June - December	\$1950	Received

BOARD OF DIRECTORS

October 2021 - September 2022

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Vice President

Darol Caster,
Treasurer

Gene Ramos,
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Form **990**
(Rev. January 2020)
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047
2019
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 07/01/19, and ending 06/30/20

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization **PALOMAR FAMILY COUNSELING SERVICE, INC**
 Doing business as
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
1002 E GRAND AVENUE
 City or town, state or province, country, and ZIP or foreign postal code
ESCONDIDO CA 92025

D Employer identification number
33-0629248

E Telephone number
760-741-2660

G Gross receipts \$ **3,994,177**

F Name and address of principal officer:
LISA M TURNER
1002 E GRAND AVE
ESCONDIDO CA 92025

H(a) Is this a group return for subordinates Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) () **t** (insert no.) 4947(a)(1) or 527

J Website: **u PALOMARFAMILYCOUNSELING.COM** **H(c)** Group exemption number **u**

K Form of organization: Corporation Trust Association Other **u** **L** Year of formation: **1992** **M** State of legal domicile: **CA**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O		
	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	13
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	13
	5 Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	102
	6 Total number of volunteers (estimate if necessary)	6	30
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 39	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	4,177	202,272
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,722,649	3,788,384
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,187	3,521
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,730,013	3,994,177
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	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)	3,006,991	3,120,089
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) u		0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	735,433	858,998
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	3,742,424	3,979,087
19 Revenue less expenses. Subtract line 18 from line 12	-12,411	15,090	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	2,374,914	2,918,064
	22 Net assets or fund balances. Subtract line 21 from line 20	489,157	933,538
		1,885,757	1,984,526

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: **LISA M TURNER** Date: _____
 Type or print name and title: **EXECUTIVE DIRECTOR**

Paid Preparer Use Only

Print/Type preparer's name: **LEON C. COVELL, CPA** Preparer's signature: **LEON C. COVELL, CPA** Date: **05/14/21** Check if self-employed if PTIN **P00166785**

Firm's name: **COVELL, JANI & PASCH LLP** Firm's EIN: **38-3730777**

Firm's address: **345 W 9TH AVE STE 100**
ESCONDIDO, CA 92025-5055 Phone no.: **760-737-0700**

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

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

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

4a (Code:) (Expenses \$ **3,256,055** including grants of\$) (Revenue \$ **3,788,384**)
PALOMAR FAMILY COUNSELING SERVICE PROVIDES A FULL RANGE OF COMPREHENSIVE AND INTEGRATED SERVICE THAT INCLUDES PREVENTION, EARLY INTERVENTION, PSYCHOEDUCATION, ASSESSMENT CLINICAL COUNSELING, SCHOOL-BASED COUNSELING, CRISIS RESPONSE, AND PROFESSIONAL TRAINING.

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

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

4d Other program services (Describe on Schedule O.)
(Expenses \$ **102,294** including grants of\$) (Revenue \$)

4e Total program service expenses **u 3,358,349**

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>	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?		X
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>		X
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>		X
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>		X
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>		X
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>		X
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>		X
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>		X
10	Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
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>	X	
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>		X
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>		X
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>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
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>		X
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>	X	
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>		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
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>		X
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>		X
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>		X
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> (see instructions)		X
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>		X
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>		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return 2a 102		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country u See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		X
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		X
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		X
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders 11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
c	Enter the amount of reserves on hand 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		X

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	13		
1b	Enter the number of voting members included on line 1a, above, who are independent		
	13		
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, 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
7b	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:		
8a	The governing body?	X	
8b	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 on 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
10b	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
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	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	
15a	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	
15b	b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	X	
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
16b	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 **u CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, 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 on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **u**

LISA M TURNER
ESCONDIDO

1002 E GRAND AVE

CA 92025

760-741-2660

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. See instructions for the order in which to list the persons above.

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 per week (list any hours for related organizations below dotted 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) LISA M TURNER	40.00									
EXECUTIVE DIRECTOR	0.00			X			75,271	0	0	
(2) DAROL H CASTER	0.50									
TREASURER	0.00	X		X			0	0	0	
(3) SHARON DISNEY	0.50									
BOARD MEMBER	0.00	X					0	0	0	
(4) VI DUPRE	0.50									
BOARD MEMBER	0.00	X					0	0	0	
(5) DAN ENGELBRECHT	0.50									
BOARD MEMBER	0.00	X					0	0	0	
(6) RANDY GARCIA	0.50									
PRESIDENT	0.00	X		X			0	0	0	
(7) MARVIN GILBERT	0.50									
SECRETARY	0.00	X		X			0	0	0	
(8) JOSE MONFORTE	0.50									
BOARD MEMBER	0.00	X					0	0	0	
(9) GENE R. RAMOS	0.50									
BOARD MEMBER	0.00	X					0	0	0	
(10) JAMES M ROWE	0.50									
BOARD MEMBER	0.00	X					0	0	0	
(11) JAMES TALLEY	0.50									
BOARD MEMBER	0.00	X					0	0	0	

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	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	202,272				
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f	u		202,272			
Program Service Revenue	2a CONTRACT SERVICES	Business Code	624100	3,264,375	3,264,375		
	b COUNSELING SERVICES	Business Code	624100	524,009	524,009		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f	u		3,788,384			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	u	3,521	3,521			
	4 Income from investment of tax-exempt bond proceeds	u					
	5 Royalties	u					
	6a Gross rents	(i) Real	(ii) Personal				
		6a					
		b Less: rental expenses	6b				
	c Rental inc. or (loss)	6c					
	d Net rental income or (loss)	u					
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		7a					
		b Less: cost or other basis and sales exps.	7b				
		c Gain or (loss)	7c				
	d Net gain or (loss)	u					
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	8a					
		b Less: direct expenses	8b				
c Net income or (loss) from fundraising events	u						
9a Gross income from gaming activities. See Part IV, line 19	9a						
	b Less: direct expenses	9b					
c Net income or (loss) from gaming activities	u						
10a Gross sales of inventory, less returns and allowances	10a						
	b Less: cost of goods sold	10b					
	c Net income or (loss) from sales of inventory	u					
Miscellaneous Revenue	11a	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d	u					
12 Total revenue. See instructions	u		3,994,177	3,791,905	0	0	

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	75,271		75,271	
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	2,643,521	2,303,361	340,160	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	46,027	38,994	7,033	
9 Other employee benefits	114,034	96,610	17,424	
10 Payroll taxes	241,236	204,375	36,861	
11 Fees for services (nonemployees):				
a Management				
b Legal	10,775	9,129	1,646	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 7				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion	6,251	5,296	955	
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	12,388	7,953	4,435	
17 Travel	21,741	18,419	3,322	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	15,620		15,620	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	134,180	102,294	31,886	
23 Insurance	28,106	23,811	4,295	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a HEALTH INSURANCE	183,078	155,104	27,974	
b CONSULTING AND CONTRACT S	101,816	100,650	1,166	
c OFFICE SUPPLIES	69,110	58,550	10,560	
d MAINTENANCE	65,390	55,398	9,992	
e All other expenses	210,543	178,405	32,138	
25 Total functional expenses. Add lines 1 through 24e	3,979,087	3,358,349	620,738	0
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 <input type="checkbox"/> 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	663,969	1	1,159,752
	2 Savings and temporary cash investments	60,952	2	58,824
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	461,343	4	428,621
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	2,118	9	2,900
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,082,763		
	b Less: accumulated depreciation	10b 814,996	1,184,882	10c 1,267,767
	11 Investments—publicly traded securities		11	
	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	1,650	15	200
16 Total assets. Add lines 1 through 15 (must equal line 33)	2,374,914	16	2,918,064	
Liabilities	17 Accounts payable and accrued expenses	118,978	17	583,997
	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		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	370,179	23	349,541
	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		25	
	26 Total liabilities. Add lines 17 through 25	489,157	26	933,538
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	1,820,410	27	1,924,703
	28 Net assets with donor restrictions	65,347	28	59,823
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	1,885,757	32	1,984,526
33 Total liabilities and net assets/fund balances	2,374,914	33	2,918,064	

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	3,994,177
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,979,087
3	Revenue less expenses. Subtract line 2 from line 1	3	15,090
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	1,885,757
5	Net unrealized gains (losses) on investments	5	-2,129
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	85,808
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	1,984,526

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 on 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 on Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

u Attach to Form 990 or Form 990-EZ.

u Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization **PALOMAR FAMILY COUNSELING SERVICE, INC** Employer identification number **33-0629248**

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 12, 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 (Form 990 or 990-EZ).)
- 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 agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
- 10 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.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 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 in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
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) u	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,606,885	3,556,267	3,598,791	4,177	202,272	11,968,392
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	4,606,885	3,556,267	3,598,791	4,177	202,272	11,968,392
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.						11,968,392

Section B. Total Support

Calendar year (or fiscal year beginning in) u	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4	4,606,885	3,556,267	3,598,791	4,177	202,272	11,968,392
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	-780	3,182	3,569			5,971
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						11,974,363
12 Gross receipts from related activities, etc. (see instructions)					12	11,109,410
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 2019 (line 6, column (f) divided by line 11, column (f))	14	99.95 %
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	99.96 %
16a 33 1/3% support test—2019. 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—2018. 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—2019. 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 VI 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—2018. 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 VI 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 10 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) u	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) u	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 VI.)						
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 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests—2019. 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—2018. 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

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	
Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)			
Section D - Distributions			Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes		
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity		
3	Administrative expenses paid to accomplish exempt purposes of supported organizations		
4	Amounts paid to acquire exempt-use assets		
5	Qualified set-aside amounts (prior IRS approval required)		
6	Other distributions (describe in Part VI). See instructions.		
7	Total annual distributions. Add lines 1 through 6.		
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.		
9	Distributable amount for 2019 from Section C, line 6		
10	Line 8 amount divided by line 9 amount		
Section E - Distribution Allocations (see instructions)			
	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1	Distributable amount for 2019 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2019 (reasonable cause required-explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2019		
a	From 2014		
b	From 2015		
c	From 2016		
d	From 2017		
e	From 2018		
f	Total of lines 3a through e		
g	Applied to underdistributions of prior years		
h	Applied to 2019 distributable amount		
i	Carryover from 2014 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.		
4	Distributions for 2019 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2019 distributable amount		
c	Remainder. Subtract lines 4a and 4b from 4.		
5	Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.		
6	Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.		
7	Excess distributions carryover to 2020. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2015		
b	Excess from 2016		
c	Excess from 2017		
d	Excess from 2018		
e	Excess from 2019		

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

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

u Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization

Employer identification number

PALOMAR FAMILY COUNSELING SERVICE, INC

33-0629248

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? (Yes/No), 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? (Yes/No)

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. (2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register), 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year u, 4 Number of states where property subject to conservation easement is located u, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? (Yes/No), 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year u, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year u \$, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? (Yes/No), 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1 u \$, (ii) Assets included in Form 990, Part X u \$, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items: a Revenue included on Form 990, Part VIII, line 1 u \$, b Assets included in Form 990, Part X u \$

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 make 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 program
 - 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" on 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, for escrow or custodial account liability? Yes No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on 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		61,533	60,340	56,505	60,361
b Contributions					
c Net investment earnings, gains, and losses		-581	4,079	6,753	-953
d Grants or scholarships			-2,580	-2,630	2,626
e Other expenditures for facilities and programs					
f Administrative expenses			-306	-288	278
g End of year balance		60,952	61,533	60,340	56,505

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a** Board designated or quasi-endowment **u**
 - b** Permanent endowment **u**
 - c** Term endowment **u**
- The percentages on 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 | X | |
| (ii) Related organizations | | X |
- b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? Yes No
- 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" on 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		470,589		470,589
b Buildings		1,366,808	673,859	692,949
c Leasehold improvements		41,276	41,276	
d Equipment		72,739	72,739	
e Other		131,351	27,122	104,229
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)			u	1,267,767

Part VII Investments – Other Securities.

Complete if the organization answered "Yes" on 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. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ... u		

Part VIII Investments – Program Related.

Complete if the organization answered "Yes" on 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. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ... u		

Part IX Other Assets.

Complete if the organization answered "Yes" on 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.) ... u	

Part X Other Liabilities.

Complete if the organization answered "Yes" on 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)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ... u	

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 FASB 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" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	3,992,048
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a	-2,129	
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	-2,129
3	Subtract line 2e from line 1		3	3,994,177
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	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	3,994,177

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

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

1	Total expenses and losses per audited financial statements		1	3,893,279
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	3,893,279
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	85,808	
c	Add lines 4a and 4b		4c	85,808
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	3,979,087

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 XII, LINE 4B - EXPENSE AMOUNTS INCLUDED ON RETURN - OTHER

BOOK / TAX DEPRECIATION DIFFERENCE **\$ 85,808**

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.

u Attach to Form 990 or 990-EZ.

u Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019**Open to Public
Inspection**

Name of the organization PALOMAR FAMILY COUNSELING SERVICE, INC	Employer identification number 33-0629248
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FORM 990 - ORGANIZATION'S MISSION OR MOST SIGNIFICANT ACTIVITIES

PALOMAR FAMILY COUNSELING SERVICE PROVIDES A FULL RANGE OF COMPREHENSIVE AND INTEGRATED SERVICE THAT INCLUDES PREVENTION, EARLY INTERVENTION, PSYCHOEDUCATION, ASSESSMENT CLINICAL COUNSELING, SCHOOL-BASED COUNSELING, CRISIS RESPONSE, AND PROFESSIONAL TRAINING.

THE ORGANIZATION'S MISSION IS TO SUPPORT AND STRENGTHEN CHILDREN, YOUTH, ADULTS, FAMILIES, SCHOOLS AND COMMUNITIES.

FORM 990 - ORGANIZATION'S MISSION

PALOMAR FAMILY COUNSELING SERVICE PROVIDES A FULL RANGE OF COMPREHENSIVE AND INTEGRATED SERVICE THAT INCLUDES PREVENTION, EARLY INTERVENTION, PSYCHOEDUCATION, ASSESSMENT CLINICAL COUNSELING, SCHOOL-BASED COUNSELING, CRISIS RESPONSE, AND PROFESSIONAL TRAINING.

FORM 990, PART I, LINE 6

VOLUNTEERS INCLUDE BOARD MEMBERS, COUNSELING INTERNS, OR COMMUNITY MEMBERS DOING SERVICE PROJECTS.

TYPES OF SERVICES : INDIVIDUAL, FAMILY, AND GROUP COUNSELING FOR ALL AGES IN OUR OFFICES, INDIVIDUAL AND GROUP COUNSELING FOR YOUTH IN SCHOOLS OR OTHER COMMUNITY SPACES, COURT-ORDERED PSYCHOEDUCATION SERVICES, AND PREVENTION AND EARLY INTERVENTIONS PROGRAMS.

FORM 990, PART III, LINE 4D - ALL OTHER ACCOMPLISHMENTS

PALOMAR FAMILY COUNSELING SERVICE PROVIDES A FULL RANGE OF COMPREHENSIVE AND INTEGRATED SERVICE THAT INCLUDES PREVENTION, EARLY INTERVENTION,

Name of the organization PALOMAR FAMILY COUNSELING SERVICE,	Employer identification number 33-0629248
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PSYCHOEDUCATION, ASSESSMENT CLINICAL COUNSELING, SCHOOL-BASED COUNSELING, CRISIS RESPONSE, AND PROFESSIONAL TRAINING.

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990 FORM 990 IS MADE AVAILABLE TO THE BOARD OF DIRECTORS FOR THEIR REVIEW PRIOR TO FILING.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY REQUIRED SELF REPORTING BY EMPLOYEES

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL PERIODIC REVIEW BY THE BOARD OF DIRECTORS

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS PERIODIC REVIEW BY EXECUTIVE BOARD

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION UPON REQUEST. TIME AND PLACE APPROVED BY BOARD OF DIRECTORS.

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION BOOK / TAX DEPRECIATION DIFFERENCE \$ 85,808

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)
u Attach to your tax return.

u Go to www.irs.gov/Form4562 for instructions and the latest information.

OMB No. 1545-0172

2019

Attachment Sequence No. **179**

Name(s) shown on return **PALOMAR FAMILY COUNSELING SERVICE, INC**

Identifying number
33-0629248

Business or activity to which this form relates

INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	1,020,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,550,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2018 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2020. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	98,440
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	34,178

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2019	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> u <input type="checkbox"/>		

Section B—Assets Placed in Service During 2019 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property		31,244	15.0	HY	150DB	1,562
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2019 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	134,180
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

Federal Asset Report**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
5-year GDS Property:									
83	Laptops	10/08/19	8,240		X	0	5 HY 200DB	0	8,240
85	Laptops	10/31/19	7,981		X	0	5 HY 200DB	0	7,981
86	Laptops	3/27/20	4,837		X	0	5 HY 200DB	0	4,837
87	Chrome books	4/13/20	8,174		X	0	5 HY 200DB	0	8,174
			<u>29,232</u>			<u>0</u>		<u>0</u>	<u>29,232</u>
7-year GDS Property:									
84	Furnitures	10/26/19	3,053		X	0	7 HY 200DB	0	3,053
			<u>3,053</u>			<u>0</u>		<u>0</u>	<u>3,053</u>
15-year GDS Property:									
89	Paving parking lot - FB	7/12/19	2,071		X	0	15 HY 150DB	0	2,071
91	Carpet - Vista	8/02/19	5,908		X	0	15 HY 150DB	0	5,908
92	Security system - Vista	8/22/19	9,018		X	0	15 HY 150DB	0	9,018
94	Paving parking lot - FB	9/09/19	18,633		X	0	15 HY 150DB	0	18,633
95	Security system - vista	9/13/19	9,018		X	0	15 HY 150DB	0	9,018
96	Paving parking lot - Vista	9/30/19	16,207		X	0	15 HY 150DB	0	16,207
97	Skylight Vista	10/04/19	5,300		X	0	15 HY 150DB	0	5,300
98	Carpet - Vista	10/25/19	31,244			31,244	15 HY 150DB	0	1,562
			<u>97,399</u>			<u>31,244</u>		<u>0</u>	<u>67,717</u>
Other Depreciation:									
14	ESCONDIDO LAND	3/05/96	200,000			200,000	0 -- Land	0	0
15	FALLBROOK LAND	7/01/96	35,814			35,814	0 -- Land	0	0
16	VISTA LAND	6/01/00	112,200			112,200	0 -- Land	0	0
17	ESCONDIDO/N. CEDAR LAND	6/30/04	100,171			100,171	0 -- Land	0	0
25	ESCONDIDO LAND	6/30/05	22,404			22,404	0 -- Land	0	0
35	LOAN FEES	7/30/13	7,753			7,753	10 MO S/L	7,753	0
36	LOAN FEES-FIRST REP.	12/29/17	5,788			5,788	10 MO S/L	868	579
37	ESCONDIDO BUILDING	3/02/96	345,448			345,448	40 MO S/L	201,507	8,637
38	FALLBROOK BUILDING	7/01/96	117,724			117,724	40 MO S/L	67,689	2,943
39	VISTA BUILDING	6/01/00	137,700			137,700	40 MO S/L	65,620	3,443
40	ESCONDIDO BUILDING IMPROVEMEN	1/01/01	3,871			3,871	7 MO S/L	3,871	0
41	ESCONDIDO BUILDING IMPROVEMEN	1/06/03	29,430			29,430	7 MO S/L	29,430	0
42	VISTA BUILDING IMPROVEMENT	12/18/02	3,395			3,395	7 MO S/L	3,395	0
43	ESCONDIDO PATIO/WALL	5/08/03	4,580			4,580	20 MO S/L	3,893	229
44	FALLBROOK BUILDING	6/30/04	24,911			24,911	40 MO S/L	8,722	622
45	ESCONDIDO BUILDING	6/30/05	65,490			65,490	40 MO S/L	22,919	1,637
46	ESCONDIDO BUILDING	6/30/06	395,399			395,399	40 MO S/L	133,504	9,885
47	FALLBROOK BUILDING	6/30/06	23,574			23,574	40 MO S/L	7,658	589
48	ESCONDIDO BUILDING	6/30/07	105,737			105,737	40 MO S/L	31,717	2,643
49	FALLBROOK BUILDING	6/30/07	81,197			81,197	5 MO S/L	81,197	0
50	ESCONDIDO BUILDING	9/21/07	25,538			25,538	39 MO S/L	7,696	654
51	VISTA BUILDING MODULAR	1/01/12	1,000			1,000	40 MO S/L	188	25
66	FURNITURE & EQUIPMENT	10/15/94	2,955			2,955	5 MO S/L	2,955	0
67	FURNITURE % EQUIPMENT	3/05/96	10,000			10,000	10 MO S/L	10,000	0
68	FURNITURE & EQUIPMENT	7/01/96	3,692			3,692	5 MO S/L	3,692	0
69	FURNITURE & EQUIPMENT	8/01/96	5,431			5,431	5 MO S/L	5,431	0
70	FURNITURE & EQUIPMENT	1/31/01	5,197			5,197	5 MO S/L	5,197	0
71	FURNITURE & EQUIPMENT	1/02/02	9,775			9,775	5 MO S/L	9,775	0
72	OFFICE EQUIPMENT	10/07/97	1,779			1,779	5 MO S/L	1,779	0
73	COMPUTERS	1/27/99	2,724			2,724	5 MO S/L	2,724	0
74	COMPUTER EQUIPMENT	1/02/02	4,494			4,494	5 MO S/L	4,494	0
75	FURNITURE & EQUIPMENT	10/23/02	5,359			5,359	5 MO S/L	5,359	0
76	FURNITURE & EQUIPMENT	6/30/04	10,799			10,799	5 MO S/L	10,799	0
77	TELEPHONE & INSTALLATION	6/30/07	11,846			11,846	5 MO S/L	11,846	0
78	18 CONFERENCE TABLES	6/30/07	6,313			6,313	5 MO S/L	6,313	0
79	36 CASE ARMCHAIRS	6/30/07	7,176			7,176	5 MO S/L	7,176	0
80	VANITY CUSTOM MADE	4/18/19	1,175			1,175	5 MO S/L	39	235
81	FRONTIER FENCE	11/17/18	1,950			1,950	7 MO S/L	163	278
82	CARPET ESC BUILDING	9/21/18	11,717			11,717	7 MO S/L	1,255	1,674
88	Carpet - Vista	7/11/19	1,573			1,573	15 MO S/L	0	105

Federal Asset Report

FYE: 6/30/2020

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
	Total Other Depreciation		<u>1,953,079</u>			<u>1,953,079</u>		<u>766,624</u>	<u>34,178</u>
	Total ACRS and Other Depreciation		<u>1,953,079</u>			<u>1,953,079</u>		<u>766,624</u>	<u>34,178</u>
	Grand Totals		2,082,763			1,984,323		766,624	134,180
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>2,082,763</u>			<u>1,984,323</u>		<u>766,624</u>	<u>134,180</u>

CA Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Basis for Depr	CA Prior	CA Current	Federal Current	Difference Fed - CA
5-year GDS Property:								
83	Laptops	10/08/19	8,240	8,240	0	1,648	8,240	6,592
85	Laptops	10/31/19	7,981	7,981	0	1,596	7,981	6,385
86	Laptops	3/27/20	4,837	4,837	0	967	4,837	3,870
87	Chrome books	4/13/20	8,174	8,174	0	1,635	8,174	6,539
			<u>29,232</u>	<u>29,232</u>	<u>0</u>	<u>5,846</u>	<u>29,232</u>	<u>23,386</u>
7-year GDS Property:								
84	Furnitures	10/26/19	3,053	3,053	0	436	3,053	2,617
			<u>3,053</u>	<u>3,053</u>	<u>0</u>	<u>436</u>	<u>3,053</u>	<u>2,617</u>
15-year GDS Property:								
88	Carpet - Vista	7/11/19	1,573	1,573	0	79	105	26
89	Paving parking lot - FB	7/12/19	2,071	2,071	0	104	2,071	1,967
91	Carpet - Vista	8/02/19	5,908	5,908	0	295	5,908	5,613
92	Security system - Vista	8/22/19	9,018	9,018	0	451	9,018	8,567
94	Paving parking lot - FB	9/09/19	18,633	18,633	0	932	18,633	17,701
95	Security system - vista	9/13/19	9,018	9,018	0	451	9,018	8,567
96	Paving parking lot - Vista	9/30/19	16,207	16,207	0	810	16,207	15,397
97	Skylight Vista	10/04/19	5,300	5,300	0	265	5,300	5,035
98	Carpet - Vista	10/25/19	31,244	31,244	0	1,562	1,562	0
			<u>98,972</u>	<u>98,972</u>	<u>0</u>	<u>4,949</u>	<u>67,822</u>	<u>62,873</u>
Other Depreciation:								
14	ESCONDIDO LAND	3/05/96	200,000	200,000	0	0	0	0
15	FALLBROOK LAND	7/01/96	35,814	35,814	0	0	0	0
16	VISTA LAND	6/01/00	112,200	112,200	0	0	0	0
17	ESCONDIDO/N. CEDAR LAND	6/30/04	100,171	100,171	0	0	0	0
25	ESCONDIDO LAND	6/30/05	22,404	22,404	0	0	0	0
35	LOAN FEES	7/30/13	7,753	7,753	7,753	0	0	0
36	LOAN FEES-FIRST REP.	12/29/17	5,788	5,788	868	579	579	0
37	ESCONDIDO BUILDING	3/02/96	345,448	345,448	201,507	8,637	8,637	0
38	FALLBROOK BUILDING	7/01/96	117,724	117,724	67,689	2,943	2,943	0
39	VISTA BUILDING	6/01/00	137,700	137,700	65,620	3,443	3,443	0
40	ESCONDIDO BUILDING IMPROVEMEN	1/01/01	3,871	3,871	3,871	0	0	0
41	ESCONDIDO BUILDING IMPROVEMEN	1/06/03	29,430	29,430	29,430	0	0	0
42	VISTA BUILDING IMPROVEMENT	12/18/02	3,395	3,395	3,395	0	0	0
43	ESCONDIDO PATIO/WALL	5/08/03	4,580	4,580	3,893	229	229	0
44	FALLBROOK BUILDING	6/30/04	24,911	24,911	8,722	622	622	0
45	ESCONDIDO BUILDING	6/30/05	65,490	65,490	22,919	1,637	1,637	0
46	ESCONDIDO BUILDING	6/30/06	395,399	395,399	133,504	9,885	9,885	0
47	FALLBROOK BUILDING	6/30/06	23,574	23,574	7,658	589	589	0
48	ESCONDIDO BUILDING	6/30/07	105,737	105,737	31,717	2,643	2,643	0
49	FALLBROOK BUILDING	6/30/07	81,197	81,197	81,197	0	0	0
50	ESCONDIDO BUILDING	9/21/07	25,538	25,538	7,696	654	654	0
51	VISTA BUILDING MODULAR	1/01/12	1,000	1,000	188	25	25	0
66	FURNITURE & EQUIPMENT	10/15/94	2,955	2,955	2,955	0	0	0
67	FURNITURE % EQUIPMENT	3/05/96	10,000	10,000	10,000	0	0	0
68	FURNITURE & EQUIPMENT	7/01/96	3,692	3,692	3,692	0	0	0
69	FURNITURE & EQUIPMENT	8/01/96	5,431	5,431	5,431	0	0	0
70	FURNITURE & EQUIPMENT	1/31/01	5,197	5,197	5,197	0	0	0
71	FURNITURE & EQUIPMENT	1/02/02	9,775	9,775	9,775	0	0	0
72	OFFICE EQUIPMENT	10/07/97	1,779	1,779	1,779	0	0	0
73	COMPUTERS	1/27/99	2,724	2,724	2,724	0	0	0
74	COMPUTER EQUIPMENT	1/02/02	4,494	4,494	4,494	0	0	0
75	FURNITURE & EQUIPMENT	10/23/02	5,359	5,359	5,359	0	0	0
76	FURNITURE & EQUIPMENT	6/30/04	10,799	10,799	10,799	0	0	0
77	TELEPHONE & INSTALLATION	6/30/07	11,846	11,846	11,846	0	0	0
78	18 CONFERENCE TABLES	6/30/07	6,313	6,313	6,313	0	0	0
79	36 CASE ARMCHAIRS	6/30/07	7,176	7,176	7,176	0	0	0
80	VANITY CUSTOM MADE	4/18/19	1,175	1,175	39	235	235	0
81	FRONTIER FENCE	11/17/18	1,950	1,950	163	278	278	0
82	CARPET ESC BUILDING	9/21/18	11,717	11,717	1,255	1,674	1,674	0

CA Asset Report**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Basis for Depr	CA Prior	CA Current	Federal Current	Difference Fed - CA
	Total Other Depreciation		<u>1,951,506</u>	<u>1,951,506</u>	<u>766,624</u>	<u>34,073</u>	<u>34,073</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>1,951,506</u>	<u>1,951,506</u>	<u>766,624</u>	<u>34,073</u>	<u>34,073</u>	<u>0</u>
	Grand Totals		2,082,763	2,082,763	766,624	45,304	134,180	88,876
	Less: Dispositions		0	0	0	0	0	0
	Less: Start-up/Org Expense		0	0	0	0	0	0
	Net Grand Totals		<u>2,082,763</u>	<u>2,082,763</u>	<u>766,624</u>	<u>45,304</u>	<u>134,180</u>	<u>88,876</u>

AMT Asset Report

FYE: 6/30/2020

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	PerConv	Meth	Prior	Current
5-year GDS Property:											
83	Laptops	10/08/19	8,240			X	0	5	HY 200DB	0	8,240
85	Laptops	10/31/19	7,981			X	0	5	HY 200DB	0	7,981
86	Laptops	3/27/20	4,837			X	0	5	HY 200DB	0	4,837
87	Chrome books	4/13/20	8,174			X	0	5	HY 200DB	0	8,174
			<u>29,232</u>				<u>0</u>			<u>0</u>	<u>29,232</u>
7-year GDS Property:											
84	Furnitures	10/26/19	3,053			X	0	7	HY 200DB	0	3,053
			<u>3,053</u>				<u>0</u>			<u>0</u>	<u>3,053</u>
15-year GDS Property:											
88	Carpet - Vista	7/11/19	1,573			X	0	15	HY 150DB	0	1,573
89	Paving parking lot - FB	7/12/19	2,071			X	0	15	HY 150DB	0	2,071
91	Carpet - Vista	8/02/19	5,908			X	0	15	HY 150DB	0	5,908
92	Security system - Vista	8/22/19	9,018			X	0	15	HY 150DB	0	9,018
94	Paving parking lot - FB	9/09/19	18,633			X	0	15	HY 150DB	0	18,633
95	Security system - vista	9/13/19	9,018			X	0	15	HY 150DB	0	9,018
96	Paving parking lot - Vista	9/30/19	16,207			X	0	15	HY 150DB	0	16,207
97	Skylight Vista	10/04/19	5,300			X	0	15	HY 150DB	0	5,300
98	Carpet - Vista	10/25/19	31,244				31,244	15	HY 150DB	0	1,562
			<u>98,972</u>				<u>31,244</u>			<u>0</u>	<u>69,290</u>
Other Depreciation:											
14	ESCONDIDO LAND	3/05/96	0				0	0	HY	0	0
15	FALLBROOK LAND	7/01/96	0				0	0	HY	0	0
16	VISTA LAND	6/01/00	0				0	0	HY	0	0
17	ESCONDIDO/N. CEDAR LAND	6/30/04	0				0	0	HY	0	0
25	ESCONDIDO LAND	6/30/05	0				0	0	HY	0	0
35	LOAN FEES	7/30/13	0				0	0	HY	0	0
36	LOAN FEES-FIRST REP.	12/29/17	0				0	0	HY	0	0
37	ESCONDIDO BUILDING	3/02/96	345,448				345,448	40	MO S/L	201,507	8,637
38	FALLBROOK BUILDING	7/01/96	117,724				117,724	39	MO S/L	69,427	3,018
39	VISTA BUILDING	6/01/00	137,700				137,700	40	MO S/L	65,620	3,443
40	ESCONDIDO BUILDING IMPROVEMEN	1/01/01	3,871				3,871	7	MO S/L	3,871	0
41	ESCONDIDO BUILDING IMPROVEMEN	1/06/03	29,430				29,430	7	MO S/L	29,430	0
42	VISTA BUILDING IMPROVEMENT	12/18/02	0				0	0	HY	0	0
43	ESCONDIDO PATIO/WALL	5/08/03	0				0	0	HY	0	0
44	FALLBROOK BUILDING	6/30/04	0				0	0	HY	0	0
45	ESCONDIDO BUILDING	6/30/05	0				0	0	HY	0	0
46	ESCONDIDO BUILDING	6/30/06	395,399				395,399	40	MO S/L	133,504	9,885
47	FALLBROOK BUILDING	6/30/06	0				0	0	HY	0	0
48	ESCONDIDO BUILDING	6/30/07	0				0	0	HY	0	0
49	FALLBROOK BUILDING	6/30/07	0				0	0	HY	0	0
50	ESCONDIDO BUILDING	9/21/07	0				0	0	HY	0	0
51	VISTA BUILDING MODULAR	1/01/12	0				0	0	HY	0	0
66	FURNITURE & EQUIPMENT	10/15/94	2,955				2,955	5	MO S/L	2,955	0
67	FURNITURE % EQUIPMENT	3/05/96	10,000				10,000	10	MO S/L	10,000	0
68	FURNITURE & EQUIPMENT	7/01/96	3,692				3,692	5	MO S/L	3,692	0
69	FURNITURE & EQUIPMENT	8/01/96	5,431				5,431	5	MO S/L	5,431	0
70	FURNITURE & EQUIPMENT	1/31/01	5,197				5,197	5	MO S/L	5,197	0
71	FURNITURE & EQUIPMENT	1/02/02	9,775				9,775	5	MO S/L	9,775	0
72	OFFICE EQUIPMENT	10/07/97	0				0	0	HY	0	0
73	COMPUTERS	1/27/99	0				0	0	HY	0	0
74	COMPUTER EQUIPMENT	1/02/02	0				0	0	HY	0	0
75	FURNITURE & EQUIPMENT	10/23/02	0				0	0	HY	0	0
76	FURNITURE & EQUIPMENT	6/30/04	0				0	0	HY	0	0
77	TELEPHONE & INSTALLATION	6/30/07	0				0	0	HY	0	0
78	18 CONFERENCE TABLES	6/30/07	0				0	0	HY	0	0
79	36 CASE ARMCHAIRS	6/30/07	0				0	0	HY	0	0
80	VANITY CUSTOM MADE	4/18/19	1,175				1,175	5	MO S/L	39	235
81	FRONTIER FENCE	11/17/18	0				0	0	HY	0	0
82	CARPET ESC BUILDING	9/21/18	0				0	0	HY	0	0

AMT Asset Report

FYE: 6/30/2020

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	Per Conv Meth	Prior	Current
	Total Other Depreciation		<u>1,067,797</u>				<u>1,067,797</u>		<u>540,448</u>	<u>25,218</u>
	Total ACRS and Other Depreciation		<u>1,067,797</u>				<u>1,067,797</u>		<u>540,448</u>	<u>25,218</u>
	Grand Totals		<u>1,199,054</u>				<u>1,099,041</u>		<u>540,448</u>	<u>126,793</u>
	Less: Dispositions and Transfers		<u>0</u>				<u>0</u>		<u>0</u>	<u>0</u>
	Net Grand Totals		<u>1,199,054</u>				<u>1,099,041</u>		<u>540,448</u>	<u>126,793</u>

Bonus Depreciation Report

FYE: 6/30/2020

Form 990, Page 1

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Tax Sec 179 Exp	Current Bonus	Prior Bonus	Tax - Basis for Depr
83	Laptops	10/08/19	8,240		0	8,240	0	0
84	Furnitures	10/26/19	3,053		0	3,053	0	0
85	Laptops	10/31/19	7,981		0	7,981	0	0
86	Laptops	3/27/20	4,837		0	4,837	0	0
87	Chrome books	4/13/20	8,174		0	8,174	0	0
89	Paving parking lot - FB	7/12/19	2,071		0	2,071	0	0
91	Carpet - Vista	8/02/19	5,908		0	5,908	0	0
92	Security system - Vista	8/22/19	9,018		0	9,018	0	0
94	Paving parking lot - FB	9/09/19	18,633		0	18,633	0	0
95	Security system - vista	9/13/19	9,018		0	9,018	0	0
96	Paving parking lot - Vista	9/30/19	16,207		0	16,207	0	0
97	Skylight Vista	10/04/19	5,300		0	5,300	0	0
Grand Total			<u>98,440</u>		<u>0</u>	<u>98,440</u>	<u>0</u>	<u>0</u>

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
OF
PALOMAR FAMILY COUNSELING SERVICE, INC.
JUNE 30, 2020 AND 2019**

PALOMAR FAMILY COUNSELING SERVICE, INC.
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Covell, Jani & Pasch^{LLP}



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of
Palomar Family Counseling Service, Inc.
Escondido, California

We have audited the accompanying financial statements of Palomar Family Counseling Service, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Palomar Family Counseling Service, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Covell, Jani & Pasch LLP

Escondido, California

February 26, 2021

PALOMAR FAMILY COUNSELING SERVICE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS	2020	2019
Current Assets		
Cash and cash equivalents	\$ 1,159,752	\$ 663,969
Accounts receivable	428,621	461,343
Prepaid expenses	2,900	2,118
TOTAL CURRENT ASSETS	1,591,273	1,127,430
Property and equipment, net	1,263,431	1,179,966
Other Assets		
Investment, endowment (restricted)	58,824	60,952
Deferred loan cost, net	4,342	4,921
Refundable deposits	200	1,650
TOTAL OTHER ASSETS	63,366	67,523
TOTAL ASSETS	\$ 2,918,070	\$ 2,374,919
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 5,979	\$ 8,900
Refundable advance	442,324	-
Accrued payroll liabilities	135,697	110,080
Long-term debt, current portion	21,604	20,653
TOTAL CURRENT LIABILITIES	605,604	139,633
Long-term Liabilities		
Long-term debt, noncurrent portion	327,937	349,526
TOTAL LONG-TERM LIABILITIES	327,937	349,526
TOTAL LIABILITIES	933,541	489,159
Net Assets		
Without donor restrictions	1,924,706	1,820,413
With donor restrictions	59,823	65,347
TOTAL NET ASSETS	1,984,529	1,885,760
TOTAL LIABILITIES AND NET ASSETS	\$ 2,918,070	\$ 2,374,919

See independent auditor's report and notes to financial statements

PALOMAR FAMILY COUNSELING SERVICE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contract service revenue	\$ 3,264,375	\$ -	\$ 3,264,375
Counseling service revenue	524,009	-	524,009
Grant revenue	197,176	-	197,176
Donations	5,096	-	5,096
Interest and other income	3,521	-	3,521
Unrealized gain (loss) on investments	-	(2,129)	(2,129)
Total Revenue and Support	3,994,177	(2,129)	3,992,048
Net Assets Released from Restrictions			
Contract service revenue	3,000	(3,000)	-
Donations	395	(395)	-
Total Net Assets Released from Restrictions	3,395	(3,395)	-
	3,997,572	(5,524)	3,992,048
Costs and Expenses			
Program services	3,256,055	-	3,256,055
General and administrative	637,224	-	637,224
Total Cost and Expenses	3,893,279	-	3,893,279
Change in Net Assets	104,293	(5,524)	98,769
Net assets at Beginning of Year	1,820,413	65,347	1,885,760
NET ASSETS AT END OF YEAR	\$ 1,924,706	\$ 59,823	\$ 1,984,529

	Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contract service revenue	\$ 3,171,983	\$ 5,000	\$ 3,176,983
Counseling service revenue	545,666	-	545,666
Donations	2,987	1,190	4,177
Interest and other income	3,187	-	3,187
Unrealized gain (loss) on investments	-	(581)	(581)
Total Revenue and Support	3,723,823	5,609	3,729,432
Net Assets Released from Restrictions			
Contract service revenue	9,000	(9,000)	-
Donations	3,206	(3,206)	-
Total Net Assets Released from Restrictions	12,206	(12,206)	-
	3,736,029	(6,597)	3,729,432
Costs and Expenses			
Program services	3,185,018	-	3,185,018
General and administrative	557,403	-	557,403
Total Cost and Expenses	3,742,421	-	3,742,421
Change in Net Assets	(6,392)	(6,597)	(12,989)
Net assets at Beginning of Year	1,826,805	71,944	1,898,749
NET ASSETS AT END OF YEAR	\$ 1,820,413	\$ 65,347	\$ 1,885,760

See independent auditor's report and notes to financial statements

PALOMAR FAMILY COUNSELING SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Wages and Employee Benefits			
Salaries	\$ 2,303,361	\$ 415,431	\$ 2,718,792
Payroll taxes	204,375	36,861	241,236
Health insurance	155,104	27,974	183,078
Worker compensation	15,672	2,827	18,499
Life AD&D and LTD	3,006	542	3,548
Vacation benefits	96,610	17,424	114,034
Retirement benefit matching	38,994	7,033	46,027
Total Wages and Employee Benefits	<u>2,817,122</u>	<u>508,092</u>	<u>3,325,214</u>
Other Expenses			
Advertising	5,296	955	6,251
Bank charges	1,612	291	1,903
Board and employee events	-	3,586	3,586
Consulting and contract services	100,650	1,166	101,816
Depreciation and amortization	-	48,372	48,372
Dues and subscriptions	2,350	424	2,774
Fingerprinting, TB, immunization	1,834	331	2,165
Gift cards	1,200	-	1,200
Insurance	23,811	4,295	28,106
Interest	-	15,620	15,620
Legal and accounting	9,129	1,646	10,775
IT services	19,820	3,575	23,395
Maintenance	55,398	9,992	65,390
Office supplies	58,550	10,560	69,110
Payroll service fees	16,162	2,915	19,077
Postage	1,869	337	2,206
Printing	6,317	1,139	7,456
Program supplies	18,903	-	18,903
Rent-archives	4,014	724	4,738
Rent-Escondido	-	3,000	3,000
Rent-Poway	3,939	711	4,650
Taxes and license fees	3,614	652	4,266
Telephone	46,039	8,303	54,342
Training meetings	11,456	2,066	13,522
Travel	18,419	3,322	21,741
Utilities	28,551	5,150	33,701
Total Other Expenses	<u>438,933</u>	<u>129,132</u>	<u>568,065</u>
	<u>\$ 3,256,055</u>	<u>\$ 637,224</u>	<u>\$ 3,893,279</u>

See independent auditor's report and notes to financial statements

PALOMAR FAMILY COUNSELING SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Wages and Employee Benefits			
Salaries	\$ 2,242,088	\$ 365,598	\$ 2,607,686
Payroll taxes	196,322	32,012	228,334
Health insurance	146,630	23,910	170,540
Worker compensation	7,943	1,295	9,238
Life AD&D and LTD	2,904	474	3,378
Vacation benefits	111,494	18,180	129,674
Retirement benefit matching	35,507	5,790	41,297
Total Wages and Employee Benefits	<u>2,742,888</u>	<u>447,259</u>	<u>3,190,147</u>
Other Expenses			
Advertising	3,333	543	3,876
Bank charges	1,555	254	1,809
Board and employee events	-	3,713	3,713
Consulting and contract services	101,850	365	102,215
Depreciation and amortization	-	33,343	33,343
Dues and subscriptions	907	148	1,055
Employee longevity awards	-	925	925
Fingerprinting, TB, Immunization	2,093	341	2,434
Flex funds	2,500	-	2,500
Gift cards	1,550	-	1,550
Insurance	25,607	4,176	29,783
Interest	-	16,540	16,540
Legal and accounting	8,550	1,394	9,944
IT services	12,555	2,047	14,602
Maintenance	39,620	6,461	46,081
Office supplies	59,072	9,632	68,704
Payroll service fees	12,652	2,063	14,715
Postage	1,454	237	1,691
Printing	7,901	1,288	9,189
Program supplies	15,743	-	15,743
Rent-archives	4,822	786	5,608
Rent-Escondido	-	3,000	3,000
Rent-Poway	13,714	2,236	15,950
Taxes and license fees	6,048	986	7,034
Telephone	53,060	8,652	61,712
Training meetings	4,972	811	5,783
Travel	29,509	4,812	34,321
Utilities	33,063	5,391	38,454
Total Other Expenses	<u>442,130</u>	<u>110,144</u>	<u>552,274</u>
Total Expenses	<u>\$ 3,185,018</u>	<u>\$ 557,403</u>	<u>\$ 3,742,421</u>

See independent auditor's report and notes to financial statements

PALOMAR FAMILY COUNSELING SERVICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 98,769	\$ (12,989)
Adjustments to reconcile change in net assets provided by operating activities:		
Unrealized (gain) loss on investments	2,129	581
Depreciation and amortization	48,372	33,343
(Increase) decrease in operating assets:		
Accounts receivable	32,722	33,333
Prepaid expense	(782)	(49)
Other current assets	1,450	-
Increase (decrease) in operating liabilities:		
Accounts payable	(2,921)	(36)
Accrued liabilities	442,324	-
Accrued payroll expense	25,616	(19,695)
Total adjustments	548,910	47,477
Net cash provided by operating activities	647,679	34,488
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(131,257)	(14,841)
Net cash used in investing activities	(131,257)	(14,841)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash paid on long-term debt	(20,639)	(19,719)
Net cash provided by financing activities	(20,639)	(19,719)
NET INCREASE (DECREASE) IN CASH	495,783	(72)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	663,969	664,041
CASH AND EQUIVALENTS, END OF YEAR	\$ 1,159,752	\$ 663,969
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
CASH PAID DURING THE YEAR FOR:		
Interest expense	\$ 15,620	\$ 16,540

See independent auditor's report and notes to financial statements

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

A. ORGANIZATION

Palomar Family Counseling Service, Inc. is a California not-for-profit public benefit corporation (the "Organization") that provides a variety of mental health services at its offices in Escondido, Vista, Fallbrook, Poway, and on-site at public schools, preschool centers, and youth activity organizations across North San Diego County.

The mission of the Organization is to support and strengthen children, youth, adults, families, schools and communities. The agency mission is expressed through the provision of a full range of comprehensive and integrated services that include prevention, education, early intervention, assessment, individual and family counseling, crisis response, and professional training. To implement its mission, the Organization has structured activities in four main areas. These four areas are comprised of mental health assessment and treatment services, community site-based outreach services, prevention and education programs, and court ordered treatment services.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standard

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The outcome of the analysis determines whether the contract or grant constitutes either a contribution or an exchange transaction (i.e., Topic 606). The guidance also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. As a result, not-for-profit entities are to account for most grants as donor-restricted conditional contributions rather than as exchange transactions because the customer does not receive commensurate value for the consideration received by the Organization; rather, the purpose of these arrangements is for the benefit of the general public. Therefore, management concluded that the agreements are conditional due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Because the nature of conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of revenue recognition remained consistent with previous years. ASU 2018-08 has been adopted by the Organization for the year ended June 30, 2020 and under the prospective approach, has determined that there was no material change in the revenue recognition for grants and contracts.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The Organization's accounting records and the accompanying financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP), whereby all revenue is recognized when earned rather than received and expenses are recognized when incurred rather than when paid, and accordingly, reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Non-For-Profit Entities*. Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restriction: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's Board of Directors.

Net assets with donor restriction: net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable consist of balances due for services provided pursuant to written and verbal contracts with various public and private agencies. The Organization evaluates the collectability of receivables on a regular and ongoing basis and they are written off when they are determined to be uncollectible. Management considers all accounts receivable to be collectible and no allowance for doubtful accounts has been provided as of June 30, 2020 and 2019.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Property and Equipment

Acquisitions of property and equipment of \$1,000 or more are capitalized. Property and equipment are stated at cost, or, if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance, repairs, and improvements, which do not materially extend the useful lives of the assets, are charged to operations in the periods incurred. Equipment purchased as part of and with grant or contract funds is generally expensed during the grant or contract period. Depreciation is provided on the straight-line method over the estimated useful lives of the assets as follows:

<u>Asset</u>	<u>Life</u>
Buildings and improvements	5 - 40 years
Furniture and equipment	5 - 10 years
Land	Not depreciated

Impairment of Long-Lived Assets

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

Income Tax

The Organization is a not-for-profit public benefit corporation exempt from income tax under Section 501(c)(3) organization of the Internal Revenue Code and Section 23701(d) of the California State Revenue and Taxation Code, except for unrelated business activities or unrelated business income. During the years ended June 30, 2020 and 2019, there were no unrelated business activities or unrelated business income.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. When restrictions are satisfied in the same accounting period that the contribution is received, both the revenue and the related expense are reported in the unrestricted net asset class.

Contributed Goods and Services

The Organization records contributed goods and services when received at estimated fair market value. No amounts for contributed goods and services have been reflected in the financial statements for the years ended June 30, 2020 and 2019.

Functional Allocation of Expenses

The costs of providing program services have been summarized on a functional basis in the Statement of Functional Expenses. Based on estimates made by management, costs based on contract guidelines have been allocated between program services and general and administrative expenses at 84.72% and 15.28%, respectively, for the year ended June 30, 2020 and 85.98% and 14.02%, respectively for the year ended June 30, 2019.

Advertising

The Organization expenses advertising costs as they are incurred. The total advertising expense for the years ended June 30, 2020 and 2019 was \$6,251 and \$3,876, respectively.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

C. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets as of June 30, 2020, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date.

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,159,752
Investment	<u>58,824</u>
Total financial assets	1,218,576
Less amounts not available to be used within one year:	
Investment endowment	(58,824)
Restricted by donor with purpose restrictions	<u>(1,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,158,752</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

D. CASH FLOW INFORMATION

The Organization did not have any non-cash financing transactions for the years ended June 30, 2020 and 2019.

E. INVESTMENTS

The Organization accounts for its investments with a readily determinable market value by recording and reporting those investments at fair market value.

Endowment Funds: The Organization's endowment fund consists of a permanently restricted endowment as referenced in Note K. The fund is valued based on the determinable fair market value of securities included. Gains and losses are included in the statement of activities in the with donor restrictions column.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

F. PROPERTY AND EQUIPMENT

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

	<u>2020</u>	<u>2019</u>
Buildings and improvements	\$ 1,478,812	\$ 1,379,839
Furniture, fixtures and equipment	119,825	87,540
Land	<u>470,589</u>	<u>470,589</u>
	2,069,226	1,937,968
Less: accumulated depreciation	<u>(805,795)</u>	<u>(758,002)</u>
	<u>\$ 1,263,431</u>	<u>\$ 1,179,966</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$47,793 and \$32,765.

G. DEFERRED LOAN COST

Deferred loan cost consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Loan closing costs	\$ 5,788	\$ 5,788
Loan closing costs – refinanced in prior year	7,753	7,753
Less: accumulated amortization	<u>(9,199)</u>	<u>(8,620)</u>
	<u>\$ 4,342</u>	<u>\$ 4,921</u>

Loan closing costs are being amortized over 10 years using the straight-line method of accounting (term of the related loan agreement). During the years ended June 30, 2020 and 2019, amortization expense was \$579 and \$578, respectively.

H. LINE OF CREDIT

The Organization had a line of credit with First Republic Bank in the amount of \$200,000 at the U.S. Prime rate plus .750% per annum. The line of credit expired December 19, 2020. Calculated interest is payable monthly. The line is collateralized by the Organization's assets. No balance was outstanding under the line of credit as of June 30, 2020 and 2019.

The Organization renewed the line of credit with First Republic Bank in November 2020 in the amount of \$200,000 at the U.S. Prime rate plus .50% per annum. The line of credit expires December 19, 2021. Calculated interest is payable monthly. The line is collateralized by the Organization's assets.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

I. LONG-TERM DEBT

Long-term debt consists of the following at June 30:

	<u>2020</u>	<u>2019</u>
Note payable to bank in monthly installments of \$3,022 including interest at 4.25% maturing December 2027, with a lump payment of \$165,837. Secured by real property.	\$ 349,541	\$ 370,179
Total long-term debt	349,541	370,179
Less: current portion	<u>(21,604)</u>	<u>(20,653)</u>
Noncurrent portion	<u>\$ 327,937</u>	<u>\$ 349,526</u>

Annual maturities of long-term debt outstanding at June 30, 2020 are as follows:

2021	\$ 21,604
2022	22,553
2023	23,545
2024	24,548
2025	25,658
2026 and thereafter	<u>231,633</u>
Total annual maturities	<u>\$ 349,541</u>

The loan agreement includes provisions that the Organization maintain an unrestricted EBIDA annually of not less than negative \$25,000 and unencumbered liquid assets of not less than \$250,000. As of June 30, 2020 and 2019, the Organization was in compliance with the loan covenants.

The total approximate book value of the collateralized real property was approximately \$135,304 and \$143,941 at June 30, 2020 and 2019, respectively.

J. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits and investment securities in bank and financial institutions. The Organization maintains cash and cash equivalents and short and long-term investments with major banks and financial institutions. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. The Organization had a balance of \$1,028,344 and \$505,922 in excess of the FDIC coverage for the years ended June 30, 2020 and 2019, respectively.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

K. RESTRICTED NET ASSETS

Changes in restricted net assets for the year ended June 30, 2020 are as follows:

<u>Purpose restrictions</u>	<u>2019</u>	<u>Additions</u>	<u>Released</u>	<u>2020</u>
City of Poway	\$ 4,000	\$ -	\$ (3,000)	\$ 1,000
S.D. Employees Charitable Org.	<u>395</u>	<u>-</u>	<u>(395)</u>	<u>-</u>
Total Temporarily Restricted	<u>\$ 4,395</u>	<u>\$ -</u>	<u>\$ (3,395)</u>	<u>\$ 1,000</u>

Changes in restricted net assets for the year ended June 30, 2019 are as follows:

<u>Purpose restrictions</u>	<u>2018</u>	<u>Additions</u>	<u>Released</u>	<u>2019</u>
City of Poway	\$ 2,500	\$ 5,000	\$ (3,500)	\$ 4,000
Country Friends	1,535	-	(1,535)	-
Escondido Charitable Foundation	3,000	-	(3,000)	-
Escondido Rotary	876	-	(876)	-
Nordson	2,500	-	(2,500)	-
S.D. Employees Charitable Org.	<u>-</u>	<u>1,190</u>	<u>(795)</u>	<u>395</u>
Total Temporarily Restricted	<u>\$ 10,411</u>	<u>\$ 6,190</u>	<u>\$ (12,206)</u>	<u>\$ 4,395</u>

Permanently Restricted

A contribution totaling \$225,000 was received on June 13, 1997 in the form of a bequest from Mr. Ernest Allen, who requested the funds be used for programs in Escondido and Valley Center, California. The original contribution was recognized as \$50,000 being permanently restricted and the remaining \$175,000 temporarily restricted.

The permanently restricted Allen Bequest Endowment Fund was established by the Organization in honor of Mr. Allen and is currently held by the San Diego Foundation.

Changes in endowment net assets as of June 30, 2020 are as follows:

Value at June 30, 2019	\$ 60,952
Change in net assets	<u>(2,129)</u>
Value at June 30, 2020	<u>\$ 58,823</u>

Changes in endowment net assets as of June 30, 2019 are as follows:

Value at June 30, 2018	\$ 61,533
Change in net assets	<u>(581)</u>
Value at June 30, 2019	<u>\$ 60,952</u>

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

K. RESTRICTED NET ASSETS (CONTINUED)

Net assets with donor restrictions consists of the following from above at June 30:

	<u>2020</u>	<u>2019</u>
Temporarily restricted	\$ 1,000	\$ 4,395
Permanently restricted	<u>58,823</u>	<u>60,952</u>
	<u>\$ 59,823</u>	<u>\$ 65,347</u>

L. CONTRACT SERVICE REVENUE

Similarly to contributions, contract service revenue and the related program services expenses are classified as unrestricted net assets since the restrictions are satisfied in the same accounting period that the revenue is received.

Public Contracts -The Organization had the following contracts for the years ended June 30:

San Diego County – CSED: contract with the San Diego County Department of Mental Health and Human Services to provide mental outpatient services and other developmentally appropriate clinical interventions to seriously emotionally disturbed (SED) children age birth through five years and their families. Initial grant contract terms covered a one-year period with an additional six-year extension through June 30, 2020. Award amounts totaled \$468,590 and \$468,590 for the years ended June 30, 2020 and 2019. Total payments received were \$432,957 and \$452,101 for the years ended June 30, 2020 and 2019, respectively.

San Diego County – FSP: contract with the San Diego County Department of Health and Human Services to provide a certified outpatient behavioral health program and provide a full range of Title 9 out-patient diagnostic and treatment services for children, adolescents, and young adults up to age 21 who are seriously emotionally disturbed. The program in its entirety is a Full Service Partnership (FSP) model that offers integrated services with an emphasis on whole person wellness and promotes access to medical, social, rehabilitative, and other community services and supports needed. Initial grant contract terms covered a one-year period with an additional four year extension through June 30, 2024. Award amount totaled \$1,617,377 and \$1,470,343 for the years ended June 30, 2020 and 2019, respectively. Total payments received were \$1,370,424 and \$1,401,258 for the years ended June 30, 2020 and 2019, respectively.

The Organization requested and received startup/refresh funding in the amount of \$147,032 for repairs and maintenance, small equipment, office supplies and staff development and training for the year ended June 30, 2020.

The county contracts listed above are funded through federal funding. However, they are exempt from single or program specific audit that are required for non-federal entities that expend \$750,000 or more in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

L. CONTRACT SERVICE REVENUE (CONTINUED)

San Diego County – North Coastal PEI: contract with the San Diego County Department of Health and Human Services to provide social-emotional health evidence-based prevention and early intervention (PEI) services for preschool and elementary school age children at public schools in the Oceanside and Vista Unified School Districts. The contract terms were for July 1 through June 30 of each fiscal year. Award amounts totaled \$692,258 and \$692,258 for the years ended June 30, 2020 and 2019, respectively. Total payments received were \$692,258 and \$692,258 for the years ended June 30, 2020 and 2019, respectively.

Healthy Bodies, Healthy Minds: contracts with the Fallbrook Regional Health District to provide the Healthy Bodies, Healthy Minds program to the district community. The contract terms were for July 1 through June 30 of each fiscal year. Award amounts totaled \$67,423 and \$82,950 for the years ended June 30, 2020 and 2019, respectively. Total payments received were \$67,423 and \$82,950 for the years ended June 30, 2020 and 2019, respectively.

The two contracts listed above are not provided from federal funds, so are not subject to the audit requirements of the U.S. Office of Management and Budget Circular A-133.

Vista CDGB-YRD: contracts with the City of Vista to provide counseling and case management services to low-income at-risk youth, children and their families. The contract terms were for July 1 through June 30 of each fiscal year. Award amounts totaled \$14,300 and \$13,607 for the years ended June 30, 2020 and 2019, respectively. Total payments received were \$14,300 and \$13,607 for the years ended June 30, 2020 and 2019, respectively.

The contract listed above is provided from federal funds but is under the audit requirement threshold of the U.S. Office of Management and Budget Circular A-133.

The Fallbrook and Vista contracts referenced above are subject to bidding and funding annually and biannually, respectively. The San Diego County contracts are renewed annually.

Project Fees - The Organization also obtained funding under various project fee contracts totaling \$539,981 and \$529,809 for the years ended June 30, 2020 and 2019, respectively. The project fee contracts are principally provided to various public and private school districts in the surrounding San Diego County area to provide family counseling and mental health services. Contracts are generally awarded annually by the school districts to the Organization. Individual school district project fee contracts are renewed annually.

None of the project fee contracts are subject to the audit requirements of the U.S. Office of Management and Budget Circular A-133.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

M. REVENUE CONCENTRATION

The Organization receives revenue for several contracts from San Diego County, which provided \$2,495,639, or approximately 67% of the Organization's total revenue for the year ended June 30, 2020. Accounts receivable from San Diego County was \$368,429 at June 30, 2020.

N. RETIREMENT PLANS

The Organization offers a voluntary 403(b) savings plan for management employees qualified under Internal Revenue Code Section 403(b) and a tax deferred annuity for non-management employees. The Organization paid \$46,027 and \$41,297 in matching employee contributions for eligible participants in the 403(b) plan., for the years ended June 30, 2020 and 2019, respectively.

O. LEASING ARRANGEMENTS

The Organization had a lease agreement with an unrelated party for its office in Poway, California for \$1,450 per month, that expired in July 2018. The Organization paid rent at this location on a month-to-month basis through July 2019, at which time the Organization began using a new location in Poway. Total rent expense for the years ended June 30, 2020 and 2019 was \$250 and \$15,950, respectively.

A facility use agreement was signed with an unrelated party effective August 1, 2019 at a new location in Poway for \$400 per month, expiring July 31, 2020 with an annual option to renew. Total rent expense for the years ended June 30, 2020 and 2019 was \$4,400 and \$0, respectively.

The Organization has a lease agreement for garage storage with an unrelated party through December 2019 for \$250 per month. The lease was renewed on the same terms through December 2020. Total rent expense for the years ended June 30, 2020 and 2019 was \$3,000 and \$3,000, respectively.

The Organization also pays for records storage and shredding. Total expense for these services for the years ended June 30, 2020 and 2019 was \$4,738 and \$5,608.

The remaining lease commitments at June 30 are as follows:

2021	\$	1,900
2022		-
2023		-
2024		-
2025 and thereafter		-
		<u>\$ 1,900</u>

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

P. COVID-19 PANDEMIC

During March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

With the outbreak, the people and communities served by the non-profit industry have experienced an increased demand for assistance. The Organization, while complying with government mandates, is partnering with many state and local officials to continue to serve the people during the crisis.

Q. PAYCHECK PROTECTION PROGRAM LOAN/ADOPTION OF ACCOUNTING POLICY

On April 20, 2020, the Organization received loan proceeds in the amount of \$629,500 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization applied for forgiveness on December 11, 2020, but has not received notification on their application.

Management and the Board of Directors are of the opinion that \$559,336 of the PPP loan funds received will be forgiven under the present terms of the PPP due to the reduction of payroll levels. The Organization plans to return the unforgiven portion of \$70,164. Accordingly, the funds have been accounted for in accordance with FASB ASC 958-605 whereby the PPP loan funds are treated as a conditional governmental grant and recorded as a refundable advance. As the qualifying payroll expenses are incurred, the Organization recognizes contribution revenue and decreases the refundable advance. For the year ending June 30, 2020, \$187,176 of the \$629,500 funds received is included in grant revenue in the statement of activities, leaving a balance of \$442,324 of which \$372,160 will be recorded as revenue as the related payroll expenses are incurred in the next fiscal year and \$70,164 is expected to be returned.

The SBA provided the opportunity, as part of the PPP loan application, to obtain an Economic Injury Disaster Loan Advance (EIDL) up to \$10,000 in order to provide emergency economic relief to businesses that were currently experiencing a temporary loss of revenue. The advance does not have to be repaid. The organization received an EIDL advance in the amount of \$10,000 on April 21, 2020. It is included in grant revenue in the statement of activities.

PALOMAR FAMILY COUNSELING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

R. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 26, 2021, the date the financial statements were available to be issued. Management is not aware of any events that have occurred subsequent to June 30, 2020 that would require adjustment to, or disclosure in the financial statements.