

Standing With and For Our Families



2016 was a year that tested our integrity and resolve like never before. If you've been with us, you know that we are committed to building a sustainable organization. The business model we're attempting is not an easy one. It's a model where social enterprise and the private sector through business and philanthropy drive the transformation of those we serve. Coming into 2016, we were 85 percent of the way there with only 15 percent funded through government. Our sights were set on achieving this goal by 2020 and being 100 percent private sector funded.

It's not every day that you'll hear about a human service nonprofit returning more than half a million dollars to the government. But that's exactly the decision our executive team and our Board of Directors made after HUD told us to conform with new policies that go against our mission and core values. These rules required us to put people using illegal drugs into our sobriety-based family programs and abandon our two-decade-long accountability-based workforce training programs. We appealed and lost.

We had to make gut-wrenching decisions, which included first quarter 2016 lay-offs, closing our 15-year long Intake and Access Center, and consolidating programs. Normally in our annual reports, we would share exciting results, compelling stories and the impact of our work, but 2016 was a year difficult to celebrate. 2016 is a year we will remember when one-size-fits-all top-down policies were established that not only threatened our ability to carry out our mission, but inflict real harm to families and children. Going forward, we are taking our case to Capitol Hill and the powers that be. With much more to come, you can be assured that we will continue our strong and passionate advocacy for our families. In the meantime, please keep us in your thoughts and prayers.

Thank you,

Chris Megison, President and CEO

Board of Directors

David H. Crean, Ph.D. – Chairman
Managing Director, Investment Banking,
Objective Capital Partners

Mark Fingerlin – Treasurer
Chair at Vistage International

Leanne Abraham – Secretary
President at Premierehire

Teresa Shaffer – Director
Retired Teacher and Special Education
Administrator

John Conrad – Director
Senior Accountant, Alvarado Hospital

Jack Landers – Director
Commercial Insurance/Risk Management
Teague Insurance Services

Chris Smith – Director
St. Thomas More Catholic Church

Jerry Watson – Director
Retired Communications Specialist

Lenna Wright – Director
District Representative, Representative Darrell Issa

Bret Schanzenbach – Director
Vista Chamber of Commerce

Community Leadership Team

David H. Crean, Ph.D. – Interim Chair

Managing Director, Investment Banking, Objective Capital Partners

Sam Abed
Mayor, City of Escondido

Stephanie Brown
Manchester Financial Group

Jim Desmond
Mayor, City of San Marcos

Gloria Foote
Partner, Financial Focus

Matt Hall
Mayor, City of Carlsbad

Rev. Ted Hamilton
Senior Pastor, New Life Presbyterian

Bill Horn
Supervisor 5th District, San Diego County

Darrell Issa
Congressman, 49th Congressional District

Brian Kennedy
General Manager, Mossy Toyota

Rev. Michael Ratajczak
Pastor, St. Thomas More Catholic Church

Judy Ritter
Mayor, City of Vista

Dave Roberts
Supervisor 3rd District, San Diego County

Mike Slater
The Mike Slater Show, AM 760

Jim Wood
Mayor, City of Oceanside

Escondido Groundbreaking

Solutions for Change Brings a New Way of Solving Homelessness to the City of Escondido



On June 28, 2016, Solutions for Change broke ground on our affordable housing community in Escondido, to be completed summer of 2017. This additional housing will allow more families to enter the Solutions University program and permanently solve their homelessness. The community will include 33 new apartments for those who earn less than 80 percent of area median income.

The Escondido city council unanimously approved the Solutions for Change housing project in 2015 by providing financing of \$2.1 million in affordable housing funds for a mixed-use project with housing units, offices and a community center.

Annual Financial Summary

Revenue

Private Donations	\$2,097,248	67%
Social Enterprise	\$ 782,204	25%
Government	\$ 252,752	8%

Expenses

Program Services	\$2,605,909	83%
Management	\$ 352,521	11%
Fundraising	\$ 163,547	5%