Dear Friends and Supporters,

We’re on a mission to innovate a sustainable and replicable solution to homelessness. In 2014, you helped us carry out that essential mission – bringing this hope and dream to fruition.

Instead of a handout, you worked with us to train the region’s next generation workforce, equip the next generation of parents, and provide a child with the stability and care needed to break the generational cycle of poverty. Instead of one meal, you helped us provide a family the purchasing power to buy one meal, 3x a day, all year long.

You helped us not just contain the impacts of homelessness, but to innovate the solution to our region’s homelessness.

2014 was a big year in that push to innovate. It saw one of our largest grants to date, with a $1 million investment to triple our social enterprise, Solutions Farms. It saw the 1,500th child come through our doors. It saw the groundwork being laid for the expansion of our innovative Solutions University in three North County communities.

But alongside these new successes, we never stopped doing what makes our program truly unique. We kept on investing 1,000 days in our parents and families, ensuring long-term solutions to a long-term problem. We kept on providing the 132,000 hours of education, health, job training, counseling, parenting supports and youth programs. We kept on providing the core offerings that have provided a record of excellence for our families for over 15 years.

We thank you for continuing with us in that journey for excellence – that journey to innovate a real solution for family homelessness – and for continuing to help us equip families with the skills, knowledge and resources needed to break the generational cycle of poverty permanently.

On behalf of our team at Solutions for Change and all the lives of families you continued to transform in 2014, we thank you.

Serving to Solve,

Chris and Tammy Megison
Founders, Solutions for Change
WHAT IS FAMILY HOMELESSNESS?

It’s not what you imagined... Family homelessness is a big problem in the United States. Nationwide more than 600,000 people are homeless and 40% of those people are in families with children. Solutions for Change’s mission is to permanently solve the root causes of homelessness for families.

Changing the future

Solving family homelessness is an imperative mission that forever changes the lives of children caught in the cycle of homelessness and poverty. Things sometimes taken for granted, like access to school, a warm meal, health care and a safe place to sleep, are unavailable to children and families struggling with homelessness.

At Solutions for Change we believe that every child deserves a winning chance at life. Our program is uniquely designed to equip families with the skills, knowledge and resources to overcome the root causes of homelessness, such as unemployment, addiction or under education.

With the tools gained at Solutions for Change, families lead productive lives and provide strong futures for their children.

Let’s imagine...

Changing the future starts with transforming lives today. Together, we’re breaking the cycle of poverty for future generations of families.

SOLVING THROUGH INNOVATION

A world-class model for solving family homelessness... We’ve developed a model unlike anything other to solve family homelessness. Our program equips homeless parents with leadership skills, which then lead families out of homelessness... and we are doing it through social enterprise.

More than 70,000 Families are Homeless in the US

Changing the future

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How we do it...

Video: solutionsforchange.org/farm

A Growing Movement

Solutions Farms is an innovative way to solve an imperative challenge in the community. It creates a meaningful engagement for families in our program and the community, and it’s solving family homelessness.

The impact

It’s transformed lives for... more than 750 Families including 1500 Children

Sustainable Impact

The Solutions for Change model is a sustainable program driven by social enterprise and accountability.

Solutions University

Solutions University is a 1,000 day, full engagement leadership development academy that transforms one homeless dependent families into powerful community assets.

Solutions Enterprise

Solutions Farms is an award winning social enterprise that provides career training to parents, while growing more than 25,000 pounds of organic produce that is sold to local schools. Revenue generated from sales are then reinvested into solving family homelessness.

Solutions in the Community

Our impact makes a big difference in the community. From Vista to Escondido, San Marcos, Oceanside and Carlsbad, Solutions for Change develops affordable housing communities that provide safe and beautiful housing. Solutions Enterprise is where purpose, planet and passion produce social enterprise revenue. Our award winning Solutions Farms provides career training to parents, while feeding 1000’s of school kids.

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WHAT OUR PROGRAM LOOKS LIKE

Since founding Solutions for Change in 1999, we’ve developed unique resources to provide a complete solution for families overcoming homelessness.

All our pieces work together to create life transformations in just 1,000 days.

The IAC opened its doors in 2000 and has since been the starting point for families entering the program. Here, families build the foundation for their journey.

The IAC supports 40 people including children and parents. Community members engage with families at the IAC, volunteering to make an impact on their lives.

Families entering Solutions for Change enroll in a 1,000 day, full engagement that develops the skills, knowledge and resources to solve their homelessness.

Parents in the program also learn childcare instruction through internship opportunities working with a childcare specialist.

Built in 2004, the Solutions Family Center is our main administration and education building that also has 33 units of housing for families in our program.

The Child and Youth Center debuted in 2014 to provide childcare while parents engage in workforce development programs.

At the Workforce Development Center, parents gain skills and resources that become the foundation for future careers.

Parents work with counselors and coaches to discover career interests, further education and gain work experience.

One of the largest farms of its kind in the country, Solutions Farms brings world-class innovation to North County.

Parents at Solutions University grow top 1% produce for all 27 schools in Vista Unified School District. Revenue generated is reinvested into rebuilding lives.

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Solutions for Change

Solutions for Change is an award-winning program that has transformed lives for more than 750 families, including 1500 children, in North San Diego County. We exist for one purpose... to solve family homelessness—one family, one community at a time.

Solutions University

Solutions University—The nation’s first 1,000-day transformational leadership residential program for the homeless, underwrote by corporations, faith centers, private individuals, foundations and social purpose angel investors.

Solutions Farms

A purpose-driven social enterprise owned by Solutions for Change that equips and inspires parents through environmental, educational and social purpose work, doing good for people and planet with 100% of the revenue reinvested into solving family homelessness.

Solutions Real Estate

Community developments that transform depressed properties into thriving housing communities, funded through capital development by local, state, federal and tax credit investors. Families live in these communities while enrolled in the Solutions University program.

At a glance...

The Solutions for Change program has many resources designed to solve homelessness for families. These resources make up the variety of places that provide education centers, housing and employment opportunities.
Leadership Development

Leadership Development Training is underpinned by Servant Leadership. What makes us unique is that we meet all the needs; housing, workforce training, and physical health within a framework of Leadership. We turn our once homeless dependent families into powerful community assets.

Housing

Parents can’t focus on creating a future for their families when they’re worried about where they will sleep at night. That’s why we offer more than 133 units of high-quality affordable housing. From there, families access all of the programs and services they need to thrive.

Workforce Development

Stable employment offers long-term financial stability for families at Solutions for Change. With on-the-job skills training, interview prep, and career coaching, we make sure families have everything they need to find and sustain life-changing employment.

Physical Health

Poor health can derail a family’s journey out of homelessness. For this reason, we provide family wellness services. We even include programs partners to provide annual check-ups and a whole-home approach to life as a civilian. After years within the structure of the Marines, the world outside its doors seemed daunting and full of unknowns. So he launched himself into school, working with families to achieve their healthiest self.

Life Skills

Life-skills training is critical to long term self-sufficiency. At Solutions for Change, this curriculum includes financial literacy, parenting, leadership development, and much more. Families are equipped with skills they can rely on throughout their lives to overcome future challenges.

Mental Health

At Solutions for Change, we know that mental health is important. For this reason, we provide one-on-one counseling and mental health support, giving families the comprehensive wellness they need. Each parent is assigned a Solutions Coach that guides them throughout the program.

Youth Programs

Children in our care are often coming to us after a period of instability. We overcome this hardship by providing a safe and supportive environment for children, and by offering academic and emotional support focused on creating enriched futures for children.

JARED’S STORY - SINGLE DAD, VETERAN, SOLUTIONS FAMILY

"What really motivated me during those dark times were my kids. You’ve only got one shot at raising them right and that responsibility honestly pushed me in ways I had never imagined." – Jared Hillaire

If you asked Jared what he has mastered in the last two years, one of the things he is likely to mention, with a smile on his face and a good hearted laugh, is braiding hair. "I can definitely say I’ve come a long way. When I first started, it was like I was operating with two left hands." The skill is one he takes pride in because it’s one he’s had to learn along with so many other parenting skills in his role as single dad to 3 and 4-year-old daughters, Jade and Mayla.

As a former Marine, these skills did not come easily – nor, he admits, did his transition to life as a civilian. After years within the structure of the Marines, the world outside its doors seemed daunting and full of unknowns. So he launched himself into school, working with families to achieve their healthiest self.

Then, in 2013, his daughters’ mom began to have her own challenges, ultimately leaving Jared with sole custody of their two girls. With no family in the area, he struggled to take care of the children on his own – eventually leaving school and his job to take care of them full-time. He cobbled together a series of short term supports – a few weeks of rent from one agency, food stamps from another – but the balancing act became impossible to sustain and they lost their home.

He called around to look for stable shelter, but many emergency shelters provided support for men, but wouldn't allow kids, or provided support for mothers, but weren’t equipped for single dads. After numerous dead ends, Jared found Solutions for Change.

"The program gave me every support I was trying to find," Jared says. "And not having to worry about where they would sleep next week allowed me to focus on what we need for true self-sufficiency: counseling, parenting supports, employment training – everything that would equip us for the future.”

Two years ago, after the start of the program, Jared is seeing the undeniable fruits of his efforts in the program. He graduated from the first 500 days of the program and is employed full time at a job he loves at La Jolla-based Sanford Burnham Prebys Medical Discovery Institute. He drops his girls off at childcare in the mornings and returns to his Vista Terrace apartment at night.
What we accomplished in 2014

1. The Megisons cast a vision of solving family homelessness by launching Solutions for Change out of a small church.

2. We accomplished major milestones in 2014.

3. The project unfolds a new multifamily property and wins City of Carlsbad support of $3.1 million. The project expands the number of homeless families served in the Solutions University leadership programs, solving family homelessness for more Carlsbad families, including more veteran homeless families.

4. Won Escondido City Council support and a funding award of $2 million to bring Solutions to the community in Escondido. The project will develop a blighted lot and expand the Solutions University programs for once homeless, unemployed Escondido families, including a new effort to solve homelessness for veteran families.

5. Won the 2014 Alliance Healthcare Innovation Initiative (2I) award for $1 million to quadruple the growing capacity at Solutions Farms, a Solutions Enterprise initiative that is one of the largest nonprofit aquaponics farms in the nation.

6. The Solutions for Change Leadership Team creates a new project and licensing agreement with Vista Unified School District, funding thousands of school children with certified organic produce grown by our formerly homeless parents at Solutions Farms, while supporting the social mission of solving family homelessness.

7. Negotiated a multiyear purchasing contract with Vista Unified School District, feeding thousands of school children with certified organic produce grown by our formerly homeless parents at Solutions Farms, while supporting the social mission of solving family homelessness.

8. Entered into a partnership with Hitaka Development as their non-profit managing general partner on an 88-unit new multifamily construction deal. This creates an additional housing option for graduates of Solutions University, while generating earned revenue through our Solutions Enterprise initiative.

9. Received the San Diego Housing Federation’s 2014 “Ruby Award” for Best Housing Project of the Year, citing the organization’s social innovation and excellence in affordable housing development.

10. Launched a pilot initiative called Solutions Institute that is designed to ‘open share’ the pioneering innovations that Solutions for Change has discovered and implemented over 15 years. The institute will strive to develop further in 2015, seeking investments to scale this imperative into five other select communities.

11. Become one of the largest resources for solving family homelessness in the State of California with approved developments in three additional cities being solidified in 2014, continuing the organization’s efforts to transform homeless families through our transformational leadership, employment and educational programs (an effort that has already rebuilt the lives of 758 families and 1,500 children since the organization’s start).
A YEAR OF IMPACT

Solutions for Change has a big impact in the community... Our team is committed to solving homelessness for families in North San Diego County. Our program is known throughout the region as the most effective program designed to rebuild lives for homeless families.

HOMLESS PARENTS AND CHILDREN IN SAN DIEGO
1,866

FAMILIES APPLIED TO SOLUTIONS UNIVERSITY
588

161 PARENTS + 323 CHILDREN =

133 UNITS OF SOLUTIONS FOR CHANGE HOUSING

32,320 Hours of Education, Health and Job Training Classes

12

AN EVENING TO REMEMBER

An Evening to Remember is our signature event that has raised more than $4 million since its start in 2011. The event features world renowned speakers such as Condoleezza Rice, Laura Bush and Rudy Giuliani.

Dr. Ben Carson helps raise more than $1.1 million

On September 27, 2014, we hosted our 4th annual gala, An Evening to Remember with this year’s keynote speaker, Dr. Ben Carson. Dr. Carson shared his inspiring story of overcoming unimaginable odds to become a world-renowned neurosurgeon and shared commentary on American values and the urgent need to solve homelessness for children and parents caught in the cycle of government dependency.

The evening took place at the Omni La Costa resort. Over 700 people were in attendance, raising more than $1.1 million to solve family homelessness. The evening included a live auction that featured one-of-a-kind vacation packages, custom motorcycles and fine jewelry.


Images:
Top Left: Dr. Ben Carson delivered an insightful and entertaining keynote on the importance of solving homelessness and poverty.
Bottom Right: The live auction, sponsorships and pledges raised more than $1.1 million to solve family homelessness.
Bottom Left: More than 700 guests were in attendance at the Omni La Costa resort.

484 PEOPLE ENROLLED AT SOLUTIONS UNIVERSITY

484 PEOPLE

+ =

32,320 Hours of Education, Health and Job Training Classes

Images:
Top Left: Dr. Ben Carson delivered an insightful and entertaining keynote on the importance of solving homelessness and poverty.
Bottom Right: The live auction, sponsorships and pledges raised more than $1.1 million to solve family homelessness.
Bottom Left: More than 700 guests were in attendance at the Omni La Costa resort.
Financial Philosophy

Solutions for change has, from its inception, pursued a path of fiscal prudence that is reflected in our current financial position and stability. We derive income from a wide range of sources, including individual and business donors, foundation grants, special events, rental income, social enterprise efforts, and federal and state grants. This diversification minimizes risk because we are not heavily dependent on any specific revenue stream or any specific donor. We have a solid portfolio of real estate, and an ever-expanding corps of private donors who share our strong commitment to helping families permanently solve their homelessness.

Our goal is to operate “lean” and be careful stewards of each dollar given in support of our efforts, while at the same time having the personnel and programs needed to help our residents achieve their goals and permanently end their homelessness.

STATEMENT OF FINANCIAL POSITION

<table>
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<tr>
<th>ASSETS</th>
<th>2014</th>
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<tbody>
<tr>
<td>Current Assets</td>
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<tr>
<td>Cash and cash equivalents</td>
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<td>Grants and other receivables</td>
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<td>Related party receivables, current portion</td>
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<td>Pledges receivable, current portion</td>
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<td>Other</td>
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<td>Related party receivables, net, noncurrent</td>
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<td>Capitalized costs, net</td>
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<td>TOTAL OTHER ASSETS</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>$20,532,172</td>
<td>$15,860,941</td>
</tr>
</tbody>
</table>

| LIABILITIES | | |
| Total Current Liabilities | $901,521 | $1,361,256 |
| Total Long-Term Liabilities | $18,690,073 | $13,994,107 |
| TOTAL LIABILITIES | $19,591,594 | $15,355,363 |

| Minority interest in Subsidiary | $1,384 | $2,451 |
| Net Assets | | |
| Unrestricted | $403,021 | $163,517 |
| Temporary restricted | $536,176 | $721,546 |
| TOTAL NET ASSETS | $939,197 | $558,029 |
| TOTAL LIABILITIES AND NET ASSETS | $20,532,172 | $15,860,941 |

REVENUE AND EXPENSES 2014

| Support & Revenue | | TOTAL |
| Contributions | $2,169,905 | |
| Public Grants | $1,001,728 | |
| Rental Income | $467,569 | |
| In-Kind Donations | $116,236 | |
| Solutions Enterprise Income | $63,380 | |
| Interest & miscellaneous | $45,888 | |
| TOTAL SUPPORT & REVENUE | $3,860,906 | |

| Operating Expenses | Program Services | $2,671,074 |
| | Fundraising | $489,022 |
| | Management and General | $272,898 |
| TOTAL OPERATING EXPENSES | $3,412,994 |

| Nonoperating Revenue & (Expenses) | Minority interest in deficit of revenue and support over expenses of subsidiary | ($3,830) |
| | Loan forgiveness income | $64,511 |
| | Partnership Loss | $13 |
| | Depreciation and amortization | ($466,044) |
| | Interest - residual receipts debt | ($242,363) |
| TOTAL NONOPERATING REVENUE & (EXPENSES) | ($66,744) |

| Change in Net Assets Before Nonoperating Revenue and (Expenses) | $447,912 |

| NET ASSETS AT END OF YEAR | $939,197 |
Solve Family Homelessness
One Family, One Community at a Time

/solutionsforchange           @solution4change          /solutionsforchange

solutionsforchange.org

722 W California Ave, Vista, CA 92083 | Phone: 760-941-6545