



# Mental Wellness Center

RECOVERY • EDUCATION • FAMILY SERVICES

March 28, 2014

Debbie Cloud, Executive Director  
St. Francis Foundation of Santa Barbara  
2323 De La Vina St., Room 104  
Santa Barbara, CA 93150-5580

Dear Ms. Cloud and Foundation Directors:

Thank you again for your grant of \$10,000 last year for our General Operations. We deeply appreciate your generous support over the years for these expenses.

Our organization is moving in dynamic new directions to assist and empower persons living with mental health disabilities, their families and our community. These activities increase the emphasis on prevention and wellness and move away from a focus only on treatment of illness. We focus on helping people to move forward in steps towards independence and recovery through staffing jobs within our organization and out in the community, and other activities on their own initiative and participation. In addition, our educational programs reach out to the public in schools, in the workplace and other sites to expand an understanding of mental illness that aims to reduce the stigma attached to this illness, and provide the information necessary of how and where to seek available help. We also have a new evening program for local residents to improve their well being here on our Garden Street site.

We hope the St. Francis Foundation will join in funding our General Operations and our newest programs described in our attached proposal with a **\$40,000 grant this year** that will be important part of the funding needed to accomplish our work and reach a new level of sustainable growth and strength.

Please let us know if we can answer any questions or supply you with any additional information. We hope our proposal meets with your approval, and look forward to hearing from you.

Sincerely,

Annmarie Cameron  
Chief Executive Officer

Encl.: 2014 request in Common Grant Application format

# The Foundation Roundtable: Common Grant Application

## Cover Sheet

Foundation you are applying to: St. Francis Foundation in Santa Barbara

Legal Name of Applicant Organization: Mental Health Assn. in Santa Barbara County dba Mental Wellness Center (MWC)

Project Name (if applicable): n/a

Funds will pay for: A portion of general operating expenses of our core programs

Full Mailing Address: 617 Garden St., Santa Barbara, CA 93101

Location(s) if different from above: \_\_\_\_\_

Executive Director: Chief Executive Officer: Annmarie Cameron

Phone: 884-8440

Fax: 884-8445

Email: acameron@mentalwellnesscenter.org

Website: www.mentalwellnesscenter.org

Contact Person & Title: Annmarie Cameron, CEO

Phone: 884-8440

Tax-exempt Status:(Most foundations require 501(c)(3) status. You must check this requirement before applying.)

501(c)(3) Granted ☒

Tax I.D. Number: \_\_\_\_\_

Other: \_\_\_\_\_

**Type of Request:** *Check with individual foundations to determine the types of accepted grant requests.*

General Support ☒

Program Support ☐

Seed Funding ☐

Research ☐

Capital ☐

Endowment ☐

Multi-Year ☐

Other: \_\_\_\_\_

This Grant Request: \$ 40,000

Total Project Budget: \$ n/a

Grant Period from: 1/1/14

To: 12/31/14

Total Organizational Budget for Current Year: \$ 1,870,998

Fiscal year begins: 1/1/14

Summarize the organization's mission statement (two to three sentences):

The mission of the MWC is the advancement of mental wellness in Santa Barbara. We seek to facilitate the recovery of our clients, and to eradicate the stigma of mental illness by providing and ensuring appropriate care, services and support to adult persons living with mental health disabilities, their families, and the community.

Summarize your grant request (two to three sentences):

This grant will help support our general operating expenses and retain our experienced staff. These core services include supervision and administration for the Fellowship Club Recovery Learning Center, Housing Program, Employment Services Program, Family Services, and Educational Programs in the community.

### Proposal Authorization

We certify that the information in this application is to the best of our knowledge true and accurate and is submitted with our Board of Directors'/Governing Body's full knowledge and endorsement:

Signature

Joe Cooper, Chairman, BOD

Name & Title of Authorized Board/Governing Body Representative

Date

3/26/14

Signature

Alex Filippini, Secretary, BOD

Name & Title of Authorized Board/Governing Body Representative

Date

3/26/14



**1. Organization's History and Accomplishments.** Founded in 1947, our organization brought together volunteers and families caring for members with mental illness where there was little help available. The name later changed to the Mental Health Association in Santa Barbara County, which remains the legal name. The advent of new medications led to the release of many people from psychiatric hospitals in the 1950's and 1960's, and increased the need for community-based services for these clients. In response to these needs, we opened a psychosocial rehabilitative day program, the Fellowship Club in 1959. Fifty years later, inside the Fellowship Club, the Recovery Learning Center (RLC) introduced further skills training and recovery activities. In 1985, our housing services began with Casa Juana Maria, a licensed board and care home with round-the-clock care, followed in 1999, with the Eleanor Apartments (eight two-bedroom apartments) for independent living. After a very successful capital campaign, our new consolidated Garden Street Center opened in 2008, including fifty-one units of affordable housing. Programs for employment were developed. Our Family Services joined with the National Alliance on Mental Illness (NAMI) Southern Santa Barbara Chapter in the 1980's and this collaboration continues strongly today.

On February 29, 2012, our organization launched its new name, the Mental Wellness Center (MWC), to emphasize a focus on recovery of wellness and to describe the array of practical mental health programs now offered. In fall 2013, evening programming for wellness was introduced for participation of the community at large, adding prevention and early intervention programs for mental and overall health.

**2. Current Programs and Activities. Specific demographics of constituency served, and how they are involved in our organization and/or how they benefit from our organization's work.**

The MWC has programs for recovery, housing, employment, education, and family services. Most programs are for adults -- although one education program (*Mental Health Matters*) is for youths twelve and older in schools. Our services are offered in Spanish and English and typically free of charge. We offer three housing projects; a psychosocial rehabilitative day-use program and associated activities; a Friendship Telephone Line for weekday evenings; supported and competitive employment assistance; Family Advocates to provide information and assistance with referrals to families with members who have serious mental illness; education programs for different populations; and our Community Wellness Program for local residents to manage and improve well being. In addition to *Mental Health Matters*, our education programs include *Mental Health First Aid* to help people recognize symptoms of mental illness and act in a crisis using a five-step action plan, *Family to Family* in which trained family members teach others to help a loved one with mental illness, and *Wellness Works!* for employers to address mental health in the workplace.

In August 2013, a new policy was instituted at the RLC: all staffing at the RLC, including the manager, would be identified as peers. In this case, peers are people who have lived experiences of the symptoms and stigma of mental illness and the recovery process, and are willing to share that experience to benefit others.

The MWC served approximately 1,500 people overall in 2013, and many participants have very low incomes. In a core program (the RLC) in 2013, 30 percent of 280 members were homeless. Other RLC demographics: 60-percent male, 40-percent female; 65-percent Caucasian, 35-percent minority (primarily Latino/Hispanic). The MWC values the richness of lived experience, especially when coupled with a willingness to share the experience to benefit others, and applies that philosophy to its hiring process.

**3. Organizational relationships with other organizations working to meet the same need. How our work differs from that of other organizations.**

The MWC has over 60 years' experience in advocating on behalf of our clients and collaborating with other community providers to address basic and critical needs, such as hunger, housing, legal assistance, and medical care. Key organizations include the Santa Barbara County Alcohol, Drug, and Mental Health Services (ADMHS) which makes client referrals to our programs, and the Housing Authority agencies that manage affordable housing programs. We also work closely with the California Department of Rehabilitation for client referrals to our Employment Services. Other agencies such as Sanctuary Psychiatric Clinics, Transitions Mental Health, and Phoenix of Santa Barbara, Inc. provide programs serving people with serious mental health needs, as we do. However, our comprehensive approach to overall wellness and accessibility within the community are unparalleled. The range of our education programs is not duplicated anywhere else in the county. Our new Community Wellness Program benefits a segment of the community that wants to improve well being without the prerequisite of a diagnosis, and this population is only tangentially served by health clinics and adult education courses currently.

**1. What need or problem does your project address?**

The MWC addresses the most pressing basic needs for those who live with mental health problems, including the very poor, the hungry, and the homeless. Some core programs of the MWC focus on unemployment, housing, and social connection and life-skill competencies for our clients. About 25 percent of the members of the RLC live in shelters or on the streets, and 90 percent of the members are unemployed or underemployed. Many people seeking our services also cope with very poor health beyond their mental health diagnoses, and this vulnerable population's unmet healthcare needs cause them to overutilize high-cost emergency services. The MWC's programs address this crisis by providing mental wellness services leading to dramatically improved outcomes, and, consequently, fewer high-cost emergency interventions.

Another community issue addressed by the programs and services of the MWC is the complex and inadequately funded public healthcare and legal systems. Families and clients are often overwhelmed by the barriers, qualifications, and forms required to access services. We address this issue by providing advocacy and information for both families and clients, and by networking closely with our service partners in government and other community agencies to negotiate these systems.

While many of our core programs provide a safety net to meet basic needs for a person experiencing the most serious and negative effects of mental illness, these same programs provide for the recovery process. In fact, the recovery aspect is integral to our services as we understand that every person has the right to work toward his or her optimal well being. We also offer critically needed programs for education and community wellness to prevent serious, mental health consequences from developing when they can be mitigated by early intervention with appropriate healthcare and practical assistance.

**2. In a short paragraph, tell us your project's goals and the specific outcomes you project for the grant period.**

The MWC's goals are directly related to its mission to advance mental wellness in Santa Barbara County. There are three goals: (1) to help adults recover their mental health and overall wellbeing subsequent to mental illness, (2) to educate the community regarding mental health and the importance and effectiveness of treatment, and (3) to support families when one or more members has a mental illness. All of our core programs provide services that meet objectives linked to one or more of these three goals. As a result, our outcomes include (1) adults with serious mental illness stabilizing their health and initiating and pursuing recovery (through the RLC, Employment Services, Housing, and the Friendship Phone Line), (2) expanding a community knowledgeable about mental health and its treatment (through education programs and the Community Wellness Program), and (3) strengthening important relationships that can function collaboratively for well being (through Family Services and education programs).

**3. Describe your project/organization or the capital items requested including:****\* Whether the programs are new, ongoing or an expansion:**

All of our core programs are ongoing, and in the case of the RLC, there has been an expansion of 33 percent up to 280 clients served since mid-2012. We are also providing greater opportunities for employment for our clients within the organization, and our Employment Services in jobs out in the community at other organizations and companies. Our educational programs in the community are expanding with: *Mental Health First Aid* (for adults), *Mental Health Matters* (for students ages 12 and older), and our new *Wellness Works* (for business organizations). New programs in 2013 include our early-evening Community Wellness Program and a Friendship Phone Line.

**\* Target audience, including specific demographic information:**

Very-low-income persons with mental health disabilities are the MWC's main clients and their demographics are described in question 2 above, plus their family members. For our educational programs in public schools, students are primarily in the age range of 11 to 18; at colleges: ages are usually 18 to 35. The Community Wellness Program is open to all local residents, usually over the age of 18. Community presentations are primarily to adults 21 through 80 at social clubs, businesses, and other settings.

**\* Activities/strategies that will be used to meet your stated outcomes:**

We provide the safe environment and assistance for clients to challenge themselves at the RLC, set goals, and take responsible risks in reaching out for recovery. Their individual success is demonstrated when they take leadership roles at the RLC through leading classes, getting work experience and earning pay for clerical jobs or

retail work at the “Care Closet” (where members obtain personal care items and clothing at no or nominal cost), get experience as cook’s assistants, and training and pay to do cleaning and maintenance work in administrative offices and the RLC.

We have researched successful programs for employment services, and how to implement a program of this type for our particular clients. Our Employment Services team begins by assessing clients for their desire to find a job and their initial work and computer skills. Clients then participate in educational and training sessions on issues of hygiene, punctuality, interacting with peers and supervisors, accepting criticism, memory, appropriate work attire, and appropriate conversations. Next, those clients may begin to work through practice jobs inside our own organization, and continue with ongoing jobs here at the MWC or in the community.

Our English and Spanish-speaking Family Advocates reach out to families and community groups to facilitate helpful contacts for them and their loved ones with mental health disabilities. They make public presentations about mental illness, and encourage families to confer with them for help and referrals. They also help to coordinate our highly successful *Family to Family* educational program that covers aspects of mental illness and coping strategies and facilitate peer support groups for family members.

For our housing program, we have set up procedures to ensure the placement and safety of our clients. At our board and care facility (Casa Juana Maria), we have staff on duty throughout the day and night with supportive care, and to help our clients who share in meal preparation, house cleaning, and maintenance. At our independent-living Eleanor Apartments, there is an on-site manager in one of the units to supervise the building. At our large Garden Street Apartments complex, in addition to an on-site manager, we have a Tenant Liaison to connect tenants with resources and assist with concerns.

**\* Timeline for this grant: January 1, 2014 – December 31, 2014**

**4. If this is a request for General Support, what are your organization’s most pressing needs?**

Our most pressing need is the maintenance of core services to our clients: particularly at the RLC where the numbers of our very-low-income clients are increasing (especially homeless clients), as is their participation in all the services offered there for recovery – and not just symptom management. Other critical organization services include housing, employment services, educational programs, and family services. These programs protect our vulnerable clients, their families, and offer valuable services and information to our community.

Another pressing need will be addressed this year as part of our strategic plan, and that is to develop effective outreach to the community regarding mental health. Prevention and early intervention for better mental health are important. However, to prevent or intervene earlier in the course of a mental illness requires that people know what the signs and symptoms are, and how to ask for help. Both our education programs (especially Mental Health First Aid) and Community Wellness Program address these issues, and the MWC is emphasizing outreach that decreases the stigma of mental illness and confirms hope for the potential of recovery and wellbeing. If these barriers can be lowered, local residents will be more likely to inform themselves and each other regarding mental health issues.

**5. How do you plan to evaluate the effectiveness or impact of the project?**

Our Board of Directors (BOD) establishes the key policies and goals of the organization. Our executive staff works with committees and sub-committees of the BOD such as Finance, Fund Raising, Education, etc. in developing long-term financial goals, and a yearly budget. These plans and budgets are reviewed and approved by the BOD. The staff implements the plans and prepares monthly reports on progress toward the yearly goals and the budget, which are reviewed by the BOD at their regular monthly meetings. These plans help us to determine our services, our budget decisions, and BOD and staffing needs. Short- and long-term indicators of success involve the comparison of actual results with the plans and specific goals. Some planned outcomes include: draft strategic marketing tools, complete standard operating procedures for all standing committees, explore feasibility of recruiting a dedicated Volunteer Coordinator, etc. In each case, we have established which committee is responsible, and a time line for completion.

We evaluate the progress and the impact of our outcomes on an on-going basis and use that information in future planning. Our Chief Executive Officer and Chief Operating Officer monitor all aspects of the RLC, Family Advocate, and Housing programs with regular scheduled monthly staff meetings and written reports, and other consultations as any issues of those activities arise, and to see that progress is being made throughout the year in our core programs. Success is measured by clients’ reports of meeting their stated recovery goals, improved health, and decreased isolation. In addition, data is kept monthly of each client’s ability to learn job skills and perform both volunteer activities and some paid work in maintenance at the RLC and administrative offices, clerical tasks, and assistance in the kitchen of the RLC. The Manager of Employment Services reports to our

Chief Operating Officer on a weekly basis about the progress towards our goals as detailed in the program design and yearly targets planned.

We maintain on-going records of clients at our housing sites, and since the opening of the Garden Street Apartments in December 2008, almost 60 percent of our tenants are original tenants. This is significant since many of these tenants were homeless prior to moving into the Garden Street Apartments. At both Casa Juana Maria (our board and care facility), and Eleanor Apartments (for independent-living clients) the turnover is extremely low and for some clients, their residency has been for over 10 years.

**6. Summarize the skills and relevant experience of key staff/volunteers essential to the project's success. If other organizations are collaborating on this project, note which ones and in what ways.**

Annmarie Cameron, Chief Executive Officer, has 24 years experience as a professional program administrator in community mental health, with 21 of those years as Chief Executive Officer of the MWC. She holds a B.S. in Family Studies. Mrs. Cameron is a board member of the Housing Trust Fund of Santa Barbara County, and a board member of the California Council of Community Mental Health Agencies. Throughout her career at the head of our organization, she has been a community spokesperson, team player and leader.

Patricia Collins, Chief Operations Officer, MS in Quality Assurance, has 21 years experience in social services, with 19 years in management, and similar skills to our Chief Executive Officer.

Lupe Luna, Recovery Learning Center Program Manager, trained and certified in legal advocacy, case management, crisis counseling, mediation, conflict resolution, healthcare interpreting, and self-defense instruction. Has 24 years of experience working with persons with disabilities; 20 of those years are in low-income housing management. Well known Latino community leader and advocate for improved healthcare.

Naj Alikhan, Employment Services Manager, Masters in Clinical Psychology. Nine years of business experience including supervisory positions, in real estate and investment firms. Two years of clinical psychology experience working with clients with mental health disabilities. Has excellent knowledge of online social platforms and marketing tools.

Numerous volunteers and our BOD are instrumental in the success of our organization. Our BOD is very helpful due to their diverse backgrounds and extensive professional experience. Several of our board members and other volunteers have family members with mental health disabilities, and thus they are highly motivated to help our association. They also provide valuable input in all our programs, as well as assist with fund raising events and community contacts. We also have approximately ninety other volunteers per year (including ten to twelve trainees/interns from graduate programs at Antioch University and other institutions) at the RLC and our other programs, and to assist with fundraising.

**Collaborating Organizations:** We have contracts with the Santa Barbara County ADMHS for our mutual work with RLC members, Family Advocates, and Employment Services, and with the City of Santa Barbara for the RLC. The California Department of Rehabilitation refers clients with mental health needs for community jobs, and funds Employment Services. We work with local agencies that meet basic and critical needs, to cross-refer clients. The Foodbank of Santa Barbara County helps us stretch our food budget for members' lunches at the RLC. Antioch University and other institutions of higher learning make arrangements with our agency to provide practicum opportunities for students in exchange for clinical supervision and defined work responsibilities. Active Minds, a student-led organization whose local chapter is at University of California, Santa Barbara, is co-hosting our Walk for Mental Wellness this year. Active Minds is dedicated to reducing stigma and communicating about mental illness. The Housing Authority of the City of Santa Barbara works cooperatively with us to maintain affordability for our housing units. The Santa Barbara Unified School District (and other districts) hosts our program, Mental Health Matters, to introduce older children to mental health topics.

**7. If full funding is not available, what is the contingency plan for securing additional support and/or how can you modify your proposal.**

Grants funding represents 15 percent of our budget and since 2008, has become critical to our operating budget. Our programs are financially accessible to all clients as we do not charge them with fees for services. We are making a major effort to secure more donations (including at our special fund raising events – *Walk for Mental Wellness* and our *Annual Luncheon* - this year), foundation grants, and governmental sources of funding at all levels than ever before to support our urgently needed programs for our vulnerable clients. Without St. Francis Foundation full grant funds or a reduced amount, we would try to work even harder for other sources of donations and grants – although we feel that we are already working at close to full capacity to raise those funds. Alternatively, we may have to cut back on the number of clients served, and/or reduce staff hours, or reduce organization program services.

# Mental Wellness Center      2014 Board of Directors/Governing Body

Name	City	Affiliation/Profession	Board Position	Years of Service
Joan Ariel	S.B. 93105	Retired University Librarian		1st year
Bruce Anticouni	S.B. 93108	Attorney		3
Tracy Beard	Santa Ynez 93460	Fundraiser, Foodbank of S.B.		2
Deborah Boswell	S.B. 93101	Attorney		2
Ted Campbell	S.B. 93108	Real Estate Agent		2
Andrea Carnaghe	Carpinteria 93013	Accountant		2
Nancy Chase	S.B. 93111	Freelance musician/member of the SB Symphony		16
Joe Cooper	S.B. 93105	Director of Operations, Private Co.	Board Chair	2
Ned Emerson	S.B. 93103	Retired Sales and Business Executive	Vice Chair	3
Alex Filippini	S.B. 93108	Financial Consultant	Secretary	2
Chad Hine	S.B. 93111	Financial Executive	Treasurer	2
Darcy Keep, R.N.	S.B. 93101	Nursing Dir., Psych. & Chem. Dep. Unit, Cottage Hosp.		12
Cindy Klempner	S.B. 93111	Attorney		2
Ann Lippincott, Ph.D.	S.B. 93101	Assoc. Dir., Teacher Ed. Program, UCSB		7
Janis Spracher	S.B. 93109	Elementary School Teacher		1st year
Sabina White	S.B. 93105	Retired Dir. Health and Wellness, UCSB		1st year

How often does the Board / Governing Body meet?    Monthly

# Mental Wellness Center Organization Financial Summary

**Fiscal Year Dates:** 1/1/14 – 12/31/14

## **INCOME**

Source	Prior Fiscal Year's Actual (\$) 1/1/13 – 12/31/13	2014 Annual Budget (\$)	YTD Actual (\$) (2/28/14)
Donations	346,712	280,000	18,159
Operating Grants	295,415	300,000	60,000
S.B. County Contracts	666,143	643,518	102,678
Board & Care Contracts	68,488	70,152	9,981
CA Dept. of Rehab.	90,341	121,000	17,731
Rental Income	113,698	115,500	20,406
Wellness Works		39,660	1,207
Friendship Line		16,649	961
Administration fee – Garden St. Apts.	82,098	85,578	14,098
Garden St. Apt. Management	33,645	33,000	2,848
Developer fee – Garden St.	Will come in 2014 *	55,000	
Condo Assoc. Mgmt. Fee	15,041	17,580	2,930
Program fees		10,478	725
Miscellaneous Income	22,530	5,040	1,556
<b>TOTAL INCOME</b>	<b>1,734,111</b>	<b>1,795,155</b>	<b>253,280</b>

**In-Kind (non-cash) contributions:** Over 100 volunteers (16 on the BOD) devote in excess of 6,000 hours a year at BOD and committee meetings, writing our newsletter, and helping with fund raising special projects. In addition, volunteers and board members teach classes at the Recovery Learning Center, counsel/advise clients, make community presentations, donate and help prepare food, decorate and socialize at holiday parties at the RLC, and write to and meet with state and local officials.

## **EXPENSES**

Item	Prior Fiscal Year's Actual (\$) 1/1/13 – 12/31/13	2014 Annual Budget (\$)	YTD Actual (\$) (2/28/14)
Salaries	956,087	1,036,761	149,990
Payroll Costs	180,038	257,355	31,536
Rent	204,284	218,057	35,132
Food	41,727	28,522	2,921
Supplies	39,553	58,315	5,323
Telephone & Utilities	51,328	45,394	8,307
Repairs/Maintenance	54,050	51,950	8,063
Transportation & Travel	6,676	11,922	367
Equipment/Furnishings	32,427	18,534	2,380
Insurance	33,349	29,164	4,861
Printing, Postage & Advertising	27,341	17,514	1,600
Professional Services	41,484	50,269	6,572
Training	11,773	5,708	500
Affiliations, Dues & Licenses	13,504	13,212	1,271
Depreciation	9,996	9,996	1,666
Payroll Prep. Exp.	13,860	5,500	863
Interest Expense	12,608	12,825	2,020
Miscellaneous	21,883	20,878	3,260
<b>TOTAL EXPENSE</b>	<b>1,752,368</b>	<b>1,882,987</b>	<b>265,924</b>
<b>NET PROFIT OR LOSS</b>	<b>(-18,257)*</b>	<b>(-87,832) *</b>	<b>(-13,351) *</b>

**Explanatory Note:** \* When the Developer Fee is posted in 2014, along with income from special events (to be included in Donations) this year, we anticipate that income and expense are likely to balance out to a net of at least 0 or a small net profit.



**Mental Wellness Center  
Organization Balance Sheet Summary**

<b><u>ASSETS</u></b>	<b>MOST CURRENT (\$) 2/28/14</b>	<b>PRIOR YEAR CLOSE (\$) 12/31/13</b>
<b>Current Assets</b>		
Cash and Equivalents	486,125	747,289
Accounts Receivable	9,058	23,760
Grants/Contract Fds./Fees Receivable	152,203	159,797
Pledges Receivable	228,930	227,812
Other	4,288	4,268
Allowance for doubtful accounts	(-10,396)	(-10,396)
Total Current Assets	870,208	1,152,530
<b>Fixed Assets: Property (Net of Depreciation)</b>	833,216	834,882
<b>Investments</b>		
Investments & Receivables Bldg. Hope	4,795,871	4,795,871
Advances, Loans, & Accrued Interest to Garden Street Apts.	2,359,641	2,313,344
<b>Developer Fee Rec.</b>	616,873	671,873
<b>Other Assets</b>	621,788	352,171
<b>TOTAL ASSETS</b>	<b>10,097,597</b>	<b>10,120,671</b>
<b><u>LIABILITIES</u></b>		
<b>Current Liabilities</b>		
Accounts Payable	8,388	31,374
Payroll Liabilities	32,135	29,247
Accrued Personnel Exp.	25,516	
Security Deposits & Misc.	9,560	
<b>Long Term Debt (&gt; 1 year)</b>		
Loan	624,914	623,396
LT Deferred Income	161,806	161,806
<b>TOTAL LIABILITIES</b>	<b>862,319</b>	<b>895,596</b>
<b>Net Assets</b>	<b>9,265,278</b>	<b>9,225,075</b>
Unrestricted	9,218,745	9,178,542
Temporarily Restricted	0	0
Permanently Restricted	46,533	46,533
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>10,097,597</b>	<b>10,120,671</b>

**Special Note:** We maintain a large reserve in the "Cash & Equivalents" balance due to a policy established by our BOD to insure against any repeat of the very large cutbacks in our S.B. County contracts 5 years ago that resulted in layoffs of valuable staff members, and a reduction in service hours that severely impacted our very low income vulnerable clients. These reserves can be used to: 1. cover any shortfalls in expected income, 2. to expand our current programs for unusual increases in participation (such as occurred at our RLC in the past 2 years), and 3. if not needed for item 1 and 2, will be used to pay down our long term debt on our Garden St. property and avoid a balloon payment due in 5 years.

**Internal Revenue Service**

**Department of the Treasury**

**P. O. Box 2508  
Cincinnati, OH 45201**

**Date:** March 3, 2003

**Mental Health Association in  
Santa Barbara County  
2017 Chapala St.  
Santa Barbara, CA 93105-3902**

**Person to Contact:**

**Gordon Schnur 31-07654  
Customer Service Specialist**

**Toll Free Telephone Number:**

**8:00 a.m. to 6:30 p.m. EST  
877-829-5500**

**Fax Number:**

**513-263-3756**

**Federal Identification Number:**

**95-1962659**

**Accounting Period Ends:**

**December 31**

**Dear Sir or Madam:**

This is in response to your request of March 3, 2003, regarding your organization's tax exempt status.

In June 1951 we issued a determination letter that recognized your organization as exempt from federal income tax under section 101(6) of the Internal Revenue Code of 1939 (now section 501(c)(3) of the Internal Revenue Code of 1986). That determination letter is still in effect.

We classified your organization as a publicly supported organization, and not a private foundation, because it is described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's purposes, character, method of operations, or sources of support have changed, please let us know so we can consider the effect of the change on the organization's exempt status and foundation status.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

As of January 1, 1984, your organization is liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more the organization pays to each of its employees during a calendar year. There is no liability for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Mental Health Association in Santa Barbara County  
95-1962659

Donors may deduct contributions to your organization as provided in section 170 of the Code.

Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

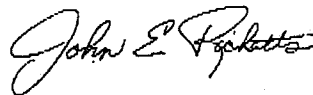
Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the permanent records of the organization.

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

Sincerely,



John E. Ricketts, Director, TE/GE  
Customer Account Services