The Working Alternative to Charity since 1997

January 16, 2016

Dear Friends,

We are very pleased to share with you our **Annual Report** for the Year 2015. We want you to have the information you need so you can trust that you are investing in a well-run organization that is fulfilling its mission.

Although much has changed since Sunday Friends began 19 years ago, our fundamental approach to breaking the cycle of poverty has not. We continue to provide opportunities for families to build parent engagement, life skills and strong futures for the children.

Our mission statement is: Sunday Friends empowers families to break the generational cycle of poverty by fostering positive development in children while educating and guiding parents to support their children's life success.

Our model is: Children and parents work together to learn, earn and serve the community.

Key Program Accomplishments of 2015:

We served families in need from all over San Jose – and beyond. In 2015, our programs included 773 unique children and 577 unique parents, all coming from low-income neighborhoods throughout Silicon Valley. Typical recent programs engaged, on average, 259 family members: 142 children along with 117 of their parents.

Family participation at our newest site exceeded our expectations: With the encouragement of our funding partner FIRST 5 of Santa Clara County, we followed through on our original plan to transition from Kennedy Elementary to Santee Elementary, staying in the Franklin McKinley School District. Santee has the advantage of being next door to the newly opened Educare Center, which also addresses the educational needs of low-income families. By our second program at Santee, we were already serving 259 family members per program.

Santa Clara University performed a professional evaluation of the outcomes of our programming: Dr. Carol Ann Gittens, Interim Dean of the Santa Clara University School of Education, and her team extensively surveyed 119 parents, 81 youths and 136 volunteers, posing over 200 carefully constructed questions. In her 255-page final report, Dr. Gittens wrote: "In conclusion, there is ample evidence that Sunday Friends is achieving its mission to educate children and their families in order to foster a commitment to schooling and academic success. The Sunday Friends Program excels at its mission to promote financial literacy, and nurture the capacity to consider and plan for the future. Furthermore, it can be concluded with confidence that Sunday Friends continues to actualize its vision to break the cycle of poverty through education and the development of life skills that will enhance well-being among parents and children."

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The top three outcomes measured in depth through the evaluation were:

1. Parent's Behavior Fosters Their Children's Healthy Development
2. Children Demonstrate Pro-Social and Pro-Education Attitudes and Behaviors
3. Family Members Understand and Practice Sound Financial Management Behaviors

Highlights of the report are available through our website.

Parent Engagement surfaced as our top area of growth in 2015: Through the professional program evaluation results, we became clear that our success with fostering Parent Engagement in the children's education and healthy development was profound. During the year, we provided more classes, one-on-one consultations, writing assignments and opportunities for parents and children to learn together. As a result: 96% of parents surveyed this year now see themselves as better role models for their children, 98% spend more meaningful and educational time with their children, 98% have more positive interactions with their children and 98% talk more with their kids. In addition, 93% now talk with their child's teacher about their child's behavior and 90% talk more about their child's grades. 100% are more dedicated to ensuring their child's attendance in school.

More family-centered learning continued in the homes during the week. This year we sent even more writing assignments home with our families. Collectively, families completed about 1,150 thoughtfully constructed essays and letters per week. They also read books and cooked healthy meals together. 87% of parents reported through the program evaluation that they now spend more time at home sharing activities without a TV on!

Based on family feedback and need, we added personalized consultations with experts: In nearly every program, family members were able to meet one-on-one with counselors to receive help with one or more of the following: Path to College, Job Prep, Child Development Assessments, Mental Health, Domestic Violence, Self-Awareness, Legal Issues, Summer Activities or Crisis Advocacy.

We enhanced our education for children ages 0 to 5 and their parents: In 2015, we continued the FIRST 5 parenting education classes – Triple P Positive Parenting and SEEDS of Early Literacy - and added other new curricula, including the iPad-based MathShelf learning for very young children.

The number of participating dads continued to increase. Dads now comprise 34% of the parent demographic. This is extremely encouraging because we all know that families change in profound ways when dads, as well as moms, participate in family activities and parenting education.

Our Path-to-College programming was well utilized by the teens and their parents. With strong community support, professionals joined with us to provide Path-to-College classes and personalized counseling in school course choices, career counseling, college research, and admission and financial aid applications. We gave scholarships for college books to nine students.

We further enhanced our violence prevention and mental health programming. As a result of classes, private consultations, writing projects and more: 95% of parents surveyed claim that their children are now more able to say no to doing wrong or dangerous things, 85% feel angry less often, 97% are less stressed and 100% have become hopeful about their lives and their children's futures. 99% of parents tell us that their children are more able to find acceptable ways of getting what they want and 100% say that their children show more respect for people, with 96% feeling more comfortable around other cultures.

170 families earned Rent Relief through Sunday Friends. During June and November, families were able to earn $150 each towards their rent. They told us through their application essays that the funds made all the difference. For many, Rent Relief allowed them to make ends meet, stay in housing and keep their children in consistent schooling.

Our service projects reached more community recipients and uplifted more children. Through four or five projects each program, children and volunteers created meaningful gifts for recipients at over 14 agencies: convalescent homes, children's hospitals, etc.

Our English-as-a-Second-Language classes grew. We responded to family requests to extend the length of the classes and we provided more volunteers to assist the growing number of family participants. 87% of parents expressed great appreciation for the help in learning English.

We expanded our Computer Education classes to include more forms of learning. The interest was so high this year that we had to extend the length of each class and create two sessions, allowing us to accommodate 48 students per program. We have added specially selected software to teach math, financial literacy and, most impressively, coding. A special task force has been collecting and refurbishing laptop computers, which made it possible for 15 youths to earn their own laptops by reaching significant milestones in computer education.

Families' health practices and health improved through Sunday Friends. Health and nutrition were taught continually through classes, personalized screenings and consultations with nurses and collaborating health organizations, healthy cooking projects, the banning of sugar and junk food in the program, exercise classes, targeted reading and writing assignments and more. As a result: 87% of parents strongly claim that their children are eating a healthier diet and 93% tell us that their children's health has improved. 82% of parents are themselves eating a healthier diet and 85% strongly state that their health has improved.

Community partners collaborated with us to bring life-changing education to our parents and teens through classes. With the help of experts and educators, we taught 25 classes on parenting, covering topics ranging from healthy development to school/college support to identifying and addressing special needs. We taught 12 classes on violence prevention and mental health, with topics ranging from anger, stress, anxiety, grief and depression to bullying and school safety. We taught 15 classes on health and nutrition, with topics ranging from sugar, obesity, diabetes, blood pressure, sleep, insomnia, exercise and first aid to providing affordable, appealing, healthy meals and snacks. We taught 10 classes on financial literacy, with topics ranging from credit ratings, credit cards, car insurance and avoiding fraud to job training and interview skills. We also taught classes on getting involved in your local community, as well as 46 English-as-a-Second Language classes and 46 computer education classes. Recent classes have each engaged 80 to 100 parents and teens.

Sunday Friends' staff elevated the quality of our programming like never before. Our 26 (mostly part-time) staff members brought strong and diverse backgrounds working with very low-income, immigrant populations as well as at-risk youth and parents. In addition to educational certification in child development, social work, sociology, social and behavioral sciences, psychology, probation, domestic violence, child abuse prevention, college admissions, early childhood development and justice studies, they have work experience with: teaching preschool, teaching at-risk children, teaching children with learning disabilities and autism, counseling at-risk youth, suicide & crisis counseling, occupational therapy, coordinating summer and after-school programs for at-risk youths, facilitating parenting workshops, counseling on the path to college and college success, teaching multicultural enrichment and participating in community alliances. 85% of our program staff members are bilingual.

Our volunteers and guest groups were also key to our success. In each program, we were joined by 100 volunteers, on average, including about 15 members of our Volunteer Leader Team and two or three guest groups from corporations, schools, faith-based organizations and service clubs. We worked with over 2,300 unique volunteers throughout the year. 92% of the volunteers surveyed told us that they are now more understanding of others' life circumstances and 86% are more likely to volunteer in the future because of Sunday Friends.

Key Organizational Accomplishments of 2015:

Sunday Friends gained recognition from educators, local government and the community at large. 2015 was the year when school district principals, superintendents and school board members visited our programs and acclaimed the value of what we accomplish, especially in the realm of parent engagement in children's education. Local government officials demonstrated their support through program visits, program involvement, testimonials and funding. Our Executive Director played an active role in a number of community task forces and forums that were focused on poverty and education. And, tours of our program by community leaders increased tremendously.

We received awards and media coverage. Our Executive Director won a Jefferson Award and was profiled on KPIX TV and KCBS Radio. Our founder was profiled on NBC 11 TV's Bay Area Proud. Sunday Friends was also covered in the San Jose Mercury, El Observador, Saratoga Community, Evergreen Spotlight and Silver Creek Spotlight newspapers and Gentry magazine, as well as on ABC 7 TV news, KBAY Radio with Sam VanZandt and La Kaliente 1370 AM Radio with Celina Rodriguez.

We further developed and strengthened partnerships with key funders. We are truly grateful to our partners for support and guidance in key areas: FIRST5 for sponsoring our Santee Elementary site; United Way of Silicon Valley, Bella Vista Foundation, the Castellano Family Foundation and the Health Trust for parenting education; Kaiser Permanente for violence prevention; Adobe, Umpqua Bank, Air Systems Foundation, Joseph and Vera Long Foundation, Sathaye Family Foundation, the office of Councilmember Johnny Khamis, Lockheed Martin Employees' Foundation, PG&E, Wells Fargo, Saratoga Rotary, Los Gatos Rotary, San Jose Rotary North and the Santa Clara County Realtors Association for school readiness and success; the Good People Fund for Rent Relief; Sobrato Family Foundation, Silicon Valley Community Foundation and the Community Leadership Project for Capacity Building; and the following funders for financial literacy and general program support: Coyote Foundation, Winograd-Hutner Family Foundation, Fries Lane Family Charitable Fund, Western Digital, Harbourton Foundation, Los Altos Town Crier Holiday Fund, Caspio, UserTesting, State Farm, Intero Foundation, Jeppesen Dataplan, Inner Wheel, Waddell & Reed and Pete's Coffee.

Our Board of Directors monitored and guided our progress and also helped hands-on. Sunday Friends is proud of our 13 Board Members, who pay close attention to all details of our strategic planning, programming, measured results, financials, human resources and policies – but they don't stop there. This year, Board task forces enhanced and co-led our computer education curriculum, recruited teachers and taught classes, developed consultations, fostered corporate grant invitations and work-site collaborations, represented Sunday Friends at community outreach events and conducted program tours. And, all members worked together to create and run our successful Holiday Shopping Spree.

The Holiday Shopping Spree was our most successful fundraising and friendraising event ever. 1,000 individuals participated in our two-night event, which brought in $53,000, all spent directly on items for Sunday Friends families to earn through our programs.

We have many organizations to thank for matching funds, endorsements, office space, purchasing efficiencies, in-kind donations and improved sustainability. We thank Goodwill Industries of Silicon Valley for providing office space, product purchasing efficiencies, referrals to our programs and job training for our participants. Other organizations, including Second Harvest Food Bank, the Bishop Store of the Church of Latter Day Saints, the Family Giving Tree, the Seniors Council and Bed Bath and Beyond stores, provided ongoing in-kind donations. The San Jose Unified and Franklin McKinley School Districts housed our programs and made them possible.

Community groups supported Sunday Friends through drives, fundraisers and worksite activities. In 2015, over 30 community and corporate groups ran drives to collect basic necessities, school supplies, toys and holiday gifts and others created and ran fundraisers for Sunday Friends. In addition, several corporate groups implemented work-site projects to support our programs while their companies donated "matching volunteer hour funds" to Sunday Friends.

Our overhead was just 12% of overall expenses. 88% Program; 7% Admin; 5% Fundraising.

We achieved most of our financial goals. We met all of our income and expense goals for 2015 and achieved a reasonable cash balance to support future sustainability. If you look at our financial statement prepared on the cash basis, you will see $792.2K in income (dollars received during the year) and $703.7K in expenses (dollars spent during the year). Our cash reserves increased by $88.5K. However, if you look at our financial statement prepared on the accrual basis, you will see a net loss of $33.4K, which is the result of several large, multi-year grants approaching their completion dates. In other words, we have experienced an increase in cash and a reduction in receivables. We are now focusing on identifying a number of new, sizable funding opportunities for the coming year. For that reason, we hired a senior grant writer to help us explore and develop new sources of funding that will allow Sunday Friends to serve more families in 2016.

A Look Ahead:

The Year 2016 Strategic Plan is focused on the following four major initiatives:

Initiative 1: Continue to strengthen the effectiveness, collaborations and measured results of Sunday Friends' programs. This initiative will be driven and monitored by the Santa Clara University professional evaluations of our program. We will collaborate with current and new community organizations to further the education and services for our families in all areas. And, we will build on the early success of our newest activities and further expand: a) family-based literacy and academic learning activities that continue into the homes during the week, b) computer and STEM education for families, c) rent relief, d) path-to-college and job prep classes and consultations and e) mental health / violence prevention / stress management classes and consultations.

Initiative 2: Meet the Year 2016 income goal of $775K cash and $581K in-kind, while developing additional streams of long-term funding and funding partnerships for the organization. We will continue to strengthen our current key partnerships and will pursue new ones with the help of our new grant writer. As part of the strategy, we will seek program site sponsors. We will cultivate relationships with current and potential donors through increased program visits and will implement a plan to increase private donations, sharing more inspirational stories and donor testimonials. Through program volunteerism and tours as well as community networking, we will develop new corporate, foundation and government connections that will lead to grant invitations and matching funds. We will increase the success of our annual, signature fundraiser event, the Holiday Shopping Spree. We will increase our valued in-kind income by cultivating more special relationships with retailers, professional teachers and service providers and community drive organizers.

Initiative 3: Broaden community awareness of Sunday Friends' mission and unique solution. We will continue to represent and present Sunday Friends at numerous community functions and will promote parent engagement at every opportunity. We will extend the contract with our Media Consultant to continue to increase public and media exposure. We will collect more family stories and create more videos and will continually improve the Sunday Friends website and grow the lists for our eblasts and direct mail campaigns. In addition, we will continue to work with the Search Engine Optimization consultant and Google AdWords to increase traffic to our website.

Initiative 4: Explore all avenues for developing funding, partnerships and leadership for the next expansion. We will detail and document the specific criteria for moving to a new site. We will network with even more community organizations, leaders, school districts, local government officials, investors, etc. through meetings, events and targeted outreach. We will conduct more program tours for potential partners and investors. And, we will further study the neighborhoods and neighborhood resources around our current program sites to support community awareness, family outreach and decision making.

We look forward to sharing our progress in all areas with you over the months to come.

Sincerely,

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P.S. If you would like any further information regarding Sunday Friends, please contact us. We will be happy to provide financial, statistical and evaluation data, including measured results and family essays.