

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2004 calendar year, or tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Family and Children Services	D Employer identification number 94-1167408
	Please use IRS label or print of type. See Specific Instructions. Number and street (or P.O. box if mail is not delivered to street address) Room/suite 950 W. Julian Street	E Telephone number (408) 292-9353
	City or town, state or country, and ZIP + 4 San Jose, CA 95126-2719	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? N/A Yes No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: **www.fcservices.org**

J Organization type (check only one) 501(c) (3) (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

I Group Exemption Number ▶

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **5,064,885.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

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Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	822,813.		
	b Indirect public support	1b	194,549.		
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 998,165. noncash \$ 19,197.)			1d	1,017,362.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)			2	3,737,228.
	3 Membership dues and assessments			3	
	4 Interest on savings and temporary cash investments			4	22,385.
	5 Dividends and interest from securities			5	
	6 a Gross rents	6a			
	b Less: rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)			6c	
	7 Other investment income (describe ▶)			7	
8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
		8a			
	b Less: cost or other basis and sales expenses	8b			
	c Gain or (loss) (attach schedule)	8c			
d Net gain or (loss) (combine line 8c, columns (A) and (B))			8d		
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ 0. of contributions reported on line 1a)	9a	257,977.			
b Less: direct expenses other than fundraising expenses	9b	108,438.			
c Net income or (loss) from special events (subtract line 9b from line 9a)		See Statement 1	9c	149,539.	
10 a Gross sales of inventory, less returns and allowances					
	b Less: cost of goods sold	10a			
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10b		10c	
11 Other revenue (from Part VII, line 103)			11	29,933.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	4,956,447.	
Expenses	13 Program services (from line 44, column (B))			13	4,548,349.
	14 Fundraising (from line 44, column (C))			14	109,488.
	15 Fundraising (from line 44, column (D))			15	292,657.
	16 Payments to affiliates (attach schedule)			16	
	17 Total expenses (add lines 13 and 44, column (A))			17	4,950,494.
18 Excess or (deficit) for the year (subtract line 17 from line 12)			18	5,953.	
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	2,124,189.
	20 Other changes in net assets or fund balances (attach explanation)			20	5,242.
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	2,135,384.

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	(cash \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	365,405.	93,827.	203,189.	68,389.
26	Other salaries and wages	2,910,157.	2,510,052.	331,388.	68,717.
27	Pension plan contributions	94,462.	71,835.	15,442.	7,185.
28	Other employee benefits	393,685.	339,105.	39,695.	14,885.
29	Payroll taxes	247,134.	198,317.	38,791.	10,026.
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	54,019.	51,099.		2,920.
34	Telephone	27,265.	19,778.	5,089.	2,398.
35	Postage and shipping				
36	Occupancy	114,499.	99,523.	12,244.	2,732.
37	Equipment rental and maintenance	24,874.	19,650.	3,815.	1,409.
38	Printing and publications	47,240.	13,121.	3,667.	30,452.
39	Travel				
40	Conferences, conventions, and meetings	48,917.	26,066.	14,336.	8,515.
41	Interest	14,172.		14,172.	
42	Depreciation, depletion, etc. (attach schedule) ...	98,047.	84,109.	10,569.	3,369.
43	Other expenses not covered above (itemize):				
a	_____				
b	_____				
c	_____				
d	_____				
e	See Statement 3	510,618.	1,021,867.	<582,909.>	71,660.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	4,950,494.	4,548,349.	109,488.	292,657.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? See Statement 4

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
 (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a	Mental Health Program - see Statement A				
		(Grants and allocations \$ _____)			862,701.
b	Counseling Program - see Statement A				
		(Grants and allocations \$ _____)			825,433.
c	Drug & Alcohol Program - see Statement A				
		(Grants and allocations \$ _____)			615,653.
d	Positive Solutions - see Statement A				
		(Grants and allocations \$ _____)			653,132.
e	Other program services (attach schedule) Statement 5				1,591,430.
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)				4,548,349.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	24,460.	17,729.
	46 Savings and temporary cash investments	1,163,891.	1,309,624.
	47 a Accounts receivable	62,905.	
	b Less: allowance for doubtful accounts	10,100.	
	48 a Pledges receivable		
	b Less: allowance for doubtful accounts		
	49 Grants receivable	494,528.	414,268.
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable	112,117.	
	b Less: allowance for doubtful accounts	10,000.	
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges	62,932.	55,254.
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	
	55 a Investments - land, buildings, and equipment: basis		
	b Less: accumulated depreciation		
56 Investments - other	See Statement 6	445,621.	480,219.
57 a Land, buildings, and equipment: basis	1,974,220.		
b Less: accumulated depreciation	1,633,748.		
58 Other assets (describe	See Statement 7	18,737.	34,206.
59 Total assets (add lines 45 through 58) (must equal line 74)	2,792,384.	2,806,694.	
Liabilities	60 Accounts payable and accrued expenses	400,478.	411,597.
	61 Grants payable		
	62 Deferred revenue		
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable	267,717.	259,713.
	65 Other liabilities (describe		
66 Total liabilities (add lines 60 through 65)	668,195.	671,310.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	1,284,404.	1,361,024.
	68 Temporarily restricted	796,338.	730,913.
	69 Permanently restricted	43,447.	43,447.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	2,124,189.	2,135,384.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	2,792,384.	2,806,694.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	148,627.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911		0.
	section 4912		0.
	section 4955		0.
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed		California
b	Number of employees employed in the pay period that includes March 12, 2004	90b	98
91	The books are in care of		Family and Children Services
	Telephone no.		(408) 292-9353
	Located at		950 W. Julian Street, San Jose, CA
	ZIP + 4		95126-2719
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a Program service fees					1,716,522.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					2,020,706.
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	22,385.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	149,539.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a Miscellaneous income					5,608.
b CFSV - alloc. inv. inc.			14	24,325.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		196,249.	3,742,836.
105 Total (add line 104, columns (B), (D), and (E))					3,939,085.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	The programs help maintain and provide behavioral, mental health and social services for all children and adults who could not otherwise afford the treatments and services.
93g	
103a	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please 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.

Date: 11/10/05
 Type or print name and title: Jeanne Chaborozetta, CEO
 Date: 12/2/05
 Check if self-employed:
 Preparer's SSN or PTIN:

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2004

Name of the organization: **Family and Children Services** Employer identification number: **94 1167408**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Howard Lagoze 950 W. Julian Street, San Jose, CA 95140	Prog Manager	74,975.	4,141.	211.
David Sitzer 950 W. Julian Street, San Jose, CA 95140	Train. Coord	59,045.	7,087.	77.
Ellen Hayenga 950 W. Julian Street, San Jose, CA 95140	Social Wkr	63,316.	8,246.	150.
Victoria Colligan 950 W. Julian Street, San Jose, CA 95140	Program Dir	64,726.	8,039.	174.
Viktor Nazartchouk 950 W. Julian Street, San Jose, CA 95140	IT Manager	66,972.	5,178.	67.
Total number of other employees paid over \$50,000 ▶	6			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Phuong-Thuy Le, MD 18455 Chelmsford Dr., Cupertino, CA 95014	Consultant	64,300.
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) <i>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</i>		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <i>See Part V, Form 990</i>	X	
e Transfer of any part of its income or assets?		X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?	X	
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,205,930.	1,170,953.	1,126,471.	1,228,780.	4,732,134.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	3,587,900.	3,516,473.	3,394,002.	1,964,338.	12,462,713.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	18,991.	25,913.	21,562.	15,811.	82,277.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	30,040.	3,027.	10,401.	See Statement 9	43,468.
23 Total of lines 15 through 22	4,842,861.	4,716,366.	4,552,436.	3,208,929.	17,320,592.
24 Line 23 minus line 17	1,254,961.	1,199,893.	1,158,434.	1,244,591.	4,857,879.
25 Enter 1% of line 23	48,429.	47,164.	45,524.	32,089.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 97,158.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 229,768.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 4,857,879.
d Add: Amounts from column (e) for lines: 18 <u>82,277.</u> 19 _____ 22 <u>43,468.</u> 26b <u>229,768.</u>					26d 355,513.
e Public support (line 26c minus line 26d total)					26e 4,502,366.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 92.6817%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2003) (2002) (2001) (2000)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A (2003) (2002) (2001) (2000)					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. None					

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
.....			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check a if the organization belongs to an affiliated group. Check b if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table -		
If the amount on line 40 is -		
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
The lobbying nontaxable amount is -		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

**Family and Children Services
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The following summarizes the different programs and supporting services of the Agency:

Mental Health MediCal Programs

Program Purpose, Goals and Outcomes Desired:

Treat and ameliorate the mental health symptoms and dysfunction of children and adolescents, and their families, in the least intrusive manner for Santa Clara County residents.

1. To provide culturally proficient outpatient and collaborative services to Santa Clara County adults and children with diagnosed serious mental illness and who cannot be sufficiently treated by a primary physician. We also serve San Mateo County children and their families who are diagnosed with a serious mental health problem.
2. Decrease psychiatric symptoms or impairments in level of functioning.
3. Assist clients to maintain the highest level of functioning in the community.
4. Help clients achieve a sense of power and ability to positively influence their own lives.

Counseling, Center for Changing Families, Employee Assistance Program

Program Purpose, Goals and Outcomes Desired:

Counseling:

1. To help individuals, couples and families improve their level of functioning or regain a level of functioning that has been negatively impacted by a life crisis.
2. To strengthen families in our community.
3. To provide comprehensive mental health services to those infected and affected with HIV/AIDS.
4. To improve the quality of lives, increase coping skills and reduce emotional distress of managing the chronic illness.

Center for Changing Families:

1. To help couples and families who are experiencing separation, divorce and/or remarriage successfully cope with these transitions and regain a healthy level of functioning for family members.

Employee Assistance Program:

1. To help individuals, couples and families improve their level of functioning or regain a level of functioning that has been negatively impacted by a life crisis.
2. To support employees and management within the organizations that we serve.
3. To provide crisis management services as necessary.

Independent Living Program

Program Purpose, Goals and Outcomes Desired:

1. To prepare foster care youth, aged 16 to 21 years, for the transition from foster care to living responsibly and finding hope for happiness, health and stability in the adult world.
2. Coach foster care youth, aged 16 to 21 years, in competencies such as employment, daily living skills, survival skills, choices and consequences, social and interpersonal skills, education, and computer knowledge, parenting, family life.
3. Coach foster care youth, aged 16 to 21 years, to set and monitor short and long-term goals to achieve lifelong productivity in society.
4. Coach foster care youth, aged 16 to 21 years, to live responsibly and cope with everyday challenges related to life outside the foster care system.

Drug & Alcohol Treatment Program

Program Purpose, Goals and Outcomes Desired:

1. To increase substance-abusing clients' ability to develop effective coping skills leading to the reduction of and/or abstinence from drug/alcohol use.
2. To increase clients' ability to recognize, identify, and understand problems related to substance abuse.
3. To increase clients' engagement in recovery and application of effective relapse prevention skills.
4. To break the behavioral cycle of compulsive psychoactive drug abuse.

Positive Solutions

Program Purpose, Goals and Outcomes Desired:

1. To promote healthy and safe relationships in families and the community.
2. To decrease family violence.
3. To teach positive and healthy responses to disagreement.
4. To teach the impact of family violence on all family members and the community.
5. To teach positive and effective parenting techniques and decrease child abuse.
6. To provide for the safety of victims.

Families and Schools Together (FAST)

Program Purpose, Goals and Outcomes Desired:

FAST is a school-based, collaborative, family-focused program designed to increase the self-esteem and improve the school performance of at-risk elementary school children by supporting the natural strength of the family unit. Specific goals are:

1. Prevent at-risk children from experiencing school failure.
2. Enhance family bonding and functioning.
3. Prevent alcohol and other drug abuse by the child and family.
4. Reduce the stress that parents and children experience from daily life situations.

School Services

Program Purpose, Goals and Outcomes Desired:

1. To provide a continuum of counseling, education, and/or staff and parent training services, on-site, that helps children and their families improve their level of functioning or regain a level of functioning that has been negatively impacted by a life crisis.
2. To support teachers and school personnel within the schools that we serve.
3. To serve the special needs of children who are deaf or hard of hearing, their families and their teachers.

Ways to Work

Program Purpose, Goals and Outcomes Desired:

1. To assist low-income parents by providing personal loans which enable them to maintain meaningful employment and/or stay on track with educational goals as they work toward greater economic self-sufficiency.
2. Decrease commute time to parent's work/school and children's daycare/school.
3. Decrease time taken off from work due to transportation, childcare or other household issues.
4. Increase parents' ability to access and create new career opportunities and increase monthly gross income.
5. Reduce use of public assistance.
6. Improve parental opportunity to re-establish credit.
7. Improve parents' ability to plan for expenses and begin to implement strategies to save money.

D.E.A.F.

Program Purpose, Goals and Outcomes Desired:

1. To prevent child abuse in families with a deaf or hard of hearing member.
2. To improve the level of functioning so that a deaf or hard of hearing child is able to remain in school.
3. To help parents improve their parenting skills and family communication in families with a deaf or hard of hearing member.

Early Childhood Services (ECS)

Program Purpose, Goals and Outcomes Desired:

1. To provide a continuum of counseling, education, and/or staff and parent training services, on-site, that helps children and their families improve their level of functioning or regain a level of functioning that has been negatively impacted by a life crisis.
2. To support childcare personnel within the childcare agencies that we serve.

Family and Children Services
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Note 6 - Property, Equipment and Improvements:

Property, equipment and improvements and accumulated depreciation and amortization consist of the following and June 30, 2005 and 2004:

	2005	2004
Land	\$ 92,568	\$ 92,568
Buildings and improvements	307,790	307,790
Leasehold improvements	630,758	630,758
Furniture, fixtures and equipment	943,104	879,544
	<hr/> 1,974,220	<hr/> 1,910,670
Less: accumulated depreciation	(1,633,748)	(1,535,701)
	<hr/> \$ 340,472	<hr/> \$ 374,969

Form 990	Special Events and Activities	Statement 1
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Description of Event	Gross Receipts	Contribut. Included	Gross Revenue	Direct Expenses	Net Income
Peninsula Ball	222,084.		222,084.	108438.	113,646.
Other Events	35,893.		35,893.		35,893.
To Fm 990, Part I, line 9	257,977.		257,977.	108438.	149,539.

Form 990	Other Changes in Net Assets or Fund Balances	Statement 2
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Description	Amount
Unrealized gain on investments	5,242.
Total to Form 990, Part I, line 20	5,242.

Form 990	Other Expenses	Statement 3
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Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
Office expenses	80,065.	57,005.	14,940.	8,120.
Dues and fees	25,123.	8,313.	16,285.	525.
Computer expense	46,731.	10,364.	33,887.	2,480.
Insurance	54,525.	35,547.	17,753.	1,225.
Other staffing expense	16,815.	1,095.	15,625.	95.
Professional fees	244,432.	179,679.	44,567.	20,186.
Bad debts	24,608.	24,601.		7.
Miscellaneous	8,121.	2,097.	6,024.	
Administrative allocation	0.	703,166.	<731,990.>	28,824.
Other fundraising costs	10,198.			10,198.
Total to Fm 990, ln 43	510,618.	1,021,867.	<582,909.>	71,660.

Form 990 Statement of Organization's Primary Exempt Purpose Statement 4
Part III

Explanation

Family and Children Services (the Agency) addresses the social-emotional and self-sufficiency needs of families and youth in Santa Clara and San Mateo Counties. The purpose of the programs and services of the Agency is to promote a healthy community by improving mental health, social interaction and self-sufficiency of individuals and families. Specifically, the Agency's services are designed to: Maintain and provide behavioral, mental health and social services for children and families in need with the goal of fostering maximum mental and emotional health and helping maintain self-sufficiency; maintain and provide prevention, education, outreach and consultation services regarding mental health and social skills in collaboration with schools, public and private organizations, the business community and other entities; engage in the training and education of the general public and the professional health care community regarding behavioral, mental health and social service issues.

Form 990 Other Program Services Statement 5

Description	Grants and Allocations	Expenses
Independent Living Program - see Statement A		228,246.
Ways to Work Program - see Statement A		181,356.
Families and Schools Together Program (FAST) - see Statement A		216,250.
School Services Program - see Statement A		786,051.
D.E.A.F Program - see Statement A		56,045.
Early Childhood Services Program - see Statement A		123,482.
Total to Form 990, Part III, line e		1,591,430.

Form 990 Other Investments Statement 6

Description	Valuation Method	Amount
Beneficial interest in trust with Community Fdn SV	Market Value	480,219.
Total to Form 990, Part IV, line 56, Column B		480,219.

Form 990	Other Assets	Statement	7
Description		Amount	
Equity in Joint Insurance Trust		34,206.	
Total to Form 990, Part IV, line 58, Column B		34,206.	

Form 990	Part V - List of Officers, Directors, Trustees and Key Employees	Statement	8
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Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
Jeanne Labozetta 950 West Julian Ave San Jose, CA 95126	President & CEO 50	116,002.	7,675.	458.
Robert Hutton 950 West Julian Ave San Jose, CA 95126	CFO 50	87,187.	1,436.	278.
Julie Dahl 950 West Julian Ave San Jose, CA 95126	Director of Program Serv 40	93,827.	10,084.	360.
Lani Dorff 950 West Julian Ave San Jose, CA 95126	Director of Fund Dev/Mrk 40	68,389.	8,183.	161.
Barbara Pugliese 950 West Julian Ave San Jose, CA 95126	Chair 2	0.	0.	0.
Chris Moser 950 West Julian Ave San Jose, CA 95126	Secretary 2	0.	0.	0.
John Harland 950 West Julian Ave San Jose, CA 95126	Treasurer 2	0.	0.	0.
Tasneem Ismailji 950 West Julian Ave San Jose, CA 95126	Chair-elect 2	0.	0.	0.

Family and Children Services

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Rosaline Vasquez 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Sandra Blackford 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Christine Curry 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Kenneth C. Frederick 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Elizabeth Lucchesi 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Lynette Mandal 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Albert Moreno 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Rosalinda Quintanar-Sarellana 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Andrew Zeif 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Suzanne Boxer-Gassman 950 West Julian Ave San Jose, CA 95126	Board Member 2	0.	0.	0.
Florence Barker 950 West Julian Ave San Jose, CA 95126	Valle Monte League Rep 2	0.	0.	0.
Doreen James 950 West Julian Ave San Jose, CA 95126	Valle Monte League Rep 2	0.	0.	0.

Totals Included on Form 990, Part V

365,405. 27,378. 1,257.

Schedule A	Other Income			Statement 9
Description	2003 Amount	2002 Amount	2001 Amount	2000 Amount
Miscellaneous income	30,040.	3,027.	10,401.	0.
Total to Schedule A, line 22	<u>30,040.</u>	<u>3,027.</u>	<u>10,401.</u>	<u>0.</u>