



**DESERT HEALTHCARE DISTRICT
BOARD MEETING
Board of Directors
October 24, 2023
5:30 P.M.**

Regional Access Project Foundation
Conference Room 103
41550 Eclectic Street
Palm Desert, CA 92211

This meeting is handicapped-accessible

In lieu of attending the meeting in person, members of the public can participate by webinar using the following link:

<https://us02web.zoom.us/j/88671987917?pwd=T29iRktDZiRDM3ITbmJDWkFiMnVMdz09>
Password: 355860

Members of the public can also participate by telephone, using the following dial in information:

**(669) 900-6833 or Toll Free (833) 548-0282
Webinar ID: 886 7198 7917
Password: 355860**

You may also email ahayles@dhcd.org with your public comment no later than 4 p.m., Tuesday, 10/24

Vice-President Zavala and Director Barraza – Official District Business Requiring Virtual Participation

<i>Page(s)</i>	REVISED AGENDA <i>Any item on the agenda may result in Board Action</i>	<i>Item Type</i>
	A. CALL TO ORDER – President PerezGil Roll Call Director Barraza____Director De Lara____ Director Zendle, MD____Director Shorr____ Secretary Rogers, RN____ Vice-President Zavala, PsyD____President PerezGil	
	B. PLEDGE OF ALLEGIANCE	
1-4	C. APPROVAL OF AGENDA	Action
	D. PUBLIC COMMENT At this time, comments from the audience may be made on items <u>not</u> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Board has a policy of limiting speakers to no more than three minutes. The Board cannot take action on items not listed on the agenda. Public input may be offered on agenda items when they come up for discussion and/or action.	
	E. CONSENT AGENDA All Consent Agenda item(s) listed below are considered routine by the Board Directors and will be enacted by one motion. <u>There will be no separate discussion of items unless a Board member so requests, in which event the item(s) will be considered following approval of the Consent Agenda.</u>	Action



	1. BOARD MINUTES	
4-5	a. Special Board of Directors Meeting – September 11, 2023	
6-10	b. Special Board of Directors Meeting – September 18, 2023	
11-12	c. Special Board of Directors Meeting – September 20, 2023	
13-31	d. Board of Directors Meeting – September 26, 2023	
	2. FINANCIALS	
32-57	a. Approval of the September 2023 Financial Statements– F&A Approved October 11, 2023	
	3. AGREEMENTS	
58-60	a. CV Strategies Communications and Outreach Efforts – NTE \$25,000	
61-63	b. 2024 Palm Springs Health Run and Wellness Festival – January 27, 2024 – \$35,000 Presenting Sponsorship – 75 th Anniversary Recognition	
	F. PRESENTATIONS	
	1. Stephanie Minor, Executive Consultant, NPO Centric, Presenting Results-Based Accountability Webpage	Information
	2. Craig Hartzheim, Partner, Moss Levy & Hartzheim, Presenting FY 2023 Audit Reports – District & Retirement Protection Plan (RPP)	Actions
64-73	a. Management Letter, Communication Letter, Internal Controls Report	
74-114	b. District Audit Report	
115-136	c. RPP Audit Report	
137-151	d. Foundation Audit Report – Information Only – Consideration for Approval during the Foundation Committee meeting	
	G. STRATEGIC FUNDING	Actions
152-178	1. Consideration to approve Grant #1412 DPMG Health – \$1,057,396 for two years contingent on receiving clean audited financial statements	
179-207	a. LPMP New 2-Year Lease – DPMG Health – Suite 1W-204	
208-212	b. DPMG Health Vendor Agreement to Operate the Mobile Medical Trailer	
213-239	2. Consideration to approve Grant #1408 Coachella Valley Volunteers in Medicine – \$478,400	
240-260	3. Consideration to approve Grant #1410 Alianza Nacional de Campesinas – \$57,499	
261-284	4. Consideration to approve Grant #1413 Voices for Children – \$81,055	
	H. REPORTS	Information
285	a. Desert Regional Medical Center CEO Report – Michele Finney, CEO	
	b. Desert Regional Medical Center Governing Board Meeting – President Evett PerezGil and Director Les Zendle, MD	
	c. Desert Healthcare District CEO Report – Chris Christensen, Interim CEO	



286-292	1. Community Investment Awards – Lift to Rise Community Anchor Award – October 14, 2023	Information
293	2. Tenth Annual Run with Los Muertos – November 4, 2023	Information
294	3. Letter of Support – DAP Health HRSA Application for Competing Continuation of Funding	Information
295-296	4. Letter of Support – TODEC expansion of the state’s Storm Assistance for Immigrants program	Information
297-298	5. Community Engagements and District Media Visibility	Information
	d. Legal – Jeffrey G. Scott, Esq., Law Offices of Jeffrey G. Scott	Information

I. COMMITTEE MEETINGS

	<p>1. PROGRAM COMMITTEE – Chair/President Evett PerezGil, Vice-President Carmina Zavala, PsyD, and Director Leticia De Lara</p> <p>a. Draft Meeting Minutes – October 10, 2023</p> <p>b. Progress and Final Reports</p> <p>c. Grant Applications and RFPs Submitted and Under Review</p> <p>d. Grant Payment Schedule</p>	
299-303		
304-331		
332-333		
334		

2. FINANCE, LEGAL, ADMINISTRATION & REAL ESTATE COMMITTEE – Chair/Treasurer Arthur Shorr, Vice-

	<p>President Carmina Zavala, PsyD, and Director Leticia De Lara</p> <p>a. Draft Meeting Minutes – October 11, 2023</p> <p>b. Consideration to approve a Las Palmas Medical Plaza Lab Corporation of America 3-Year Lease Renewal – Suite – 3E 104-105</p>	<p>Action</p>
335-339		
340-367		

368-373	<p>J. OLD BUSINESS</p> <p>1. Coachella Valley Association of Governments (CVAG) CV Link Q3 Report</p>	<p>Information</p>
---------	--	--------------------

K. BOARD MEMBER COMMENTS

L. ADJOURNMENT

The undersigned certifies that a copy of this agenda was posted in the front entrance to the Desert Healthcare District offices located at 1140 North Indian Canyon Drive, Palm Springs, California, and the front entrance of the Desert Healthcare District office located at the Regional Access Project Foundation, 41550 Eclectic Street, Suite G 100, Palm Desert California at least 72 hours prior to the meeting. If you have a disability or require a translator for accommodation to enable you to participate in this meeting, please email Andrea S. Hayles, Special Assistant to the CEO and Board Relations Officer at ahayles@dhcd.org or call (760) 567-0591 at least 72 hours prior to the meeting.

Andrea S. Hayles

Andrea S. Hayles, Board Relations Officer



**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 11, 2023**

Directors Present	District Staff Present	Absent
President Evett PerezGil Vice-President Carmina Zavala, PsyD Carole Rogers, RN, Secretary – Virtual Participation Treasurer Arthur Shorr Director Les Zendle, MD Director Leticia De Lara, MPA Director Kimberly Barraza	Jeff Scott, Legal Counsel	

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order Roll Call	President PerezGil called the meeting to order at 5:30 p.m. The Clerk of the Board called the roll with all directors present.	
B. Pledge of Allegiance	President PerezGil omitted the pledge of allegiance due to time constraints.	
C. Approval of Agenda	President PerezGil asked for a motion to approve the agenda.	#23-50 MOTION WAS MADE by Director Rogers and seconded by Director Barraza to approve the agenda. Motion passed unanimously. AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza NOES – 0 ABSENT – 0
D. Public Comment		
E. Convene to Closed Session of the Desert Healthcare District Board of Directors 1. Pursuant to Government Code Section 54957(b) Public Employee Performance Evaluation (Existing District Staff)		

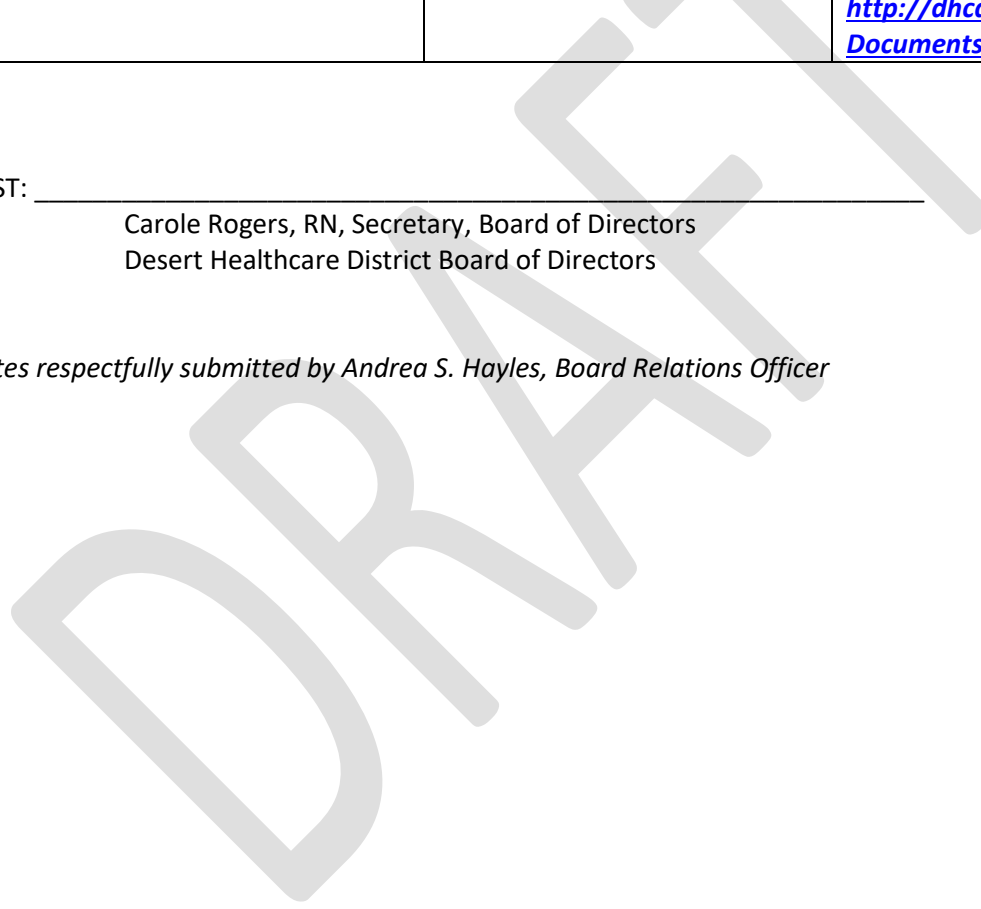


**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 11, 2023**

F. Reconvene to Open Session of the Desert Healthcare District Board of Directors		
G. Report After Closed Session	Counsel Scott reported that the Board in Closed Session voted unanimously to continue discussion of the closed session item at a Special meeting on September 20, 2023.	
H. Adjournment	President PerezGil adjourned the meeting at 8:18 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents

ATTEST: _____
 Carole Rogers, RN, Secretary, Board of Directors
 Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer





**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 18, 2023**

Directors Present	District Staff Present	Absent
President Evett PerezGil Vice-President Carmina Zavala, PsyD Carole Rogers, RN, Secretary Treasurer Arthur Shorr Director Les Zendle, MD Director Leticia De Lara, MPA Director Kimberly Barraza	Conrado E. Bázquez, MD, CEO Chris Christensen, CAO Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Will Dean, Communications and Marketing Director Andrea S. Hayles, Board Relations Officer	

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order Roll Call	President PerezGil called the meeting to order at 6:00 p.m. The Clerk of the Board called the roll with all directors present.	
B. Pledge of Allegiance	President PerezGil led the Pledge of Allegiances.	
C. Approval of Agenda	President PerezGil asked for a motion to approve the agenda.	#23-48 MOTION WAS MADE by Director Rogers and seconded by Director Barraza to approve the agenda. Motion passed unanimously. AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza NOES – 0 ABSENT – 0
D. Public Comment	There were no public comments for matters not listed on the agenda.	
E. Tenet Proposal for Future Operations of Desert Regional Medical Center 1. Introduction by Steve Hollis, Consultant, and Tenet Presentation of the Proposal	Conrado Barzaga, MD, CEO, provided an overview of the lease outlining the relationship with Tenet and their proposal for consideration to the Desert Healthcare District Board of Directors.	



**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 18, 2023**

<p>2. Public Comments</p>	<p>Saum Sutaria, MD, CEO, Tenet, provided an overview of the history between the District and Tenet, new access points of care, growth over the next 30 year, including the expansion of healthcare services, operating at the highest level for providing healthcare services, seismic issues in the state of California with solutions for investments of development without disruption of services, the fair market value and proposed lease terms, the vision for Desert Regional Medical Center, capital investments at JFK Memorial Hospital and in the East Valley, and reasons for moving forward now.</p> <p>Christie Rivera, Program Coordinator, Lift to Rise, read a letter on behalf of Heather Vaikona, CEO Lift to Rise.</p> <p>David Brinkman, CEO of DAP Health, described his appreciation of the District's work and his support of Tenet.</p> <p>Caroline Nana, ICU Nurse at Desert Regional Medical Center, described capital infrastructure and staffing concerns.</p> <p>Kim Jakab, CNA Labor Representative, California Nurses Association, described Tenet's profits with their current model of care. Ms. Jakab's statement is attached to the meeting minutes.</p>	
----------------------------------	--	--



**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 18, 2023**

<p>3. Board Member Comments, Discussion, and Direction</p>	<p>Richard Twist, Chairman of the Governing Board at JFK Memorial Hospital, described Tenet’s commitment and engagement in the community.</p> <p>Karen Borja, Indio Resident, provided an overview of a personal testimony associated with several family members health concerns while visiting Tenet-owned facilities and describing the consideration for the continuous need of care for resident’s relying on JFK Memorial Hospital.</p> <p>Sheila Thorton, CEO of OneFuture Coachella Valley, described the importance of supporting the future workforce within the Coachella Valley with Desert Regional Medical Center.</p> <p>Ezra Kaufman, Palm Desert Resident, expressed concern with the \$279M offer for lease terms over 30 years, describing the 2017 net operations and other issues with Tenet’s assets versus the VMG Health hospital appraisal and valuation report.</p> <p>Doug Morin, Executive Director of Volunteers in Medicine, described Desert Regional Medical Center’s support for their organization and access to primary care.</p> <p>Steve Hollis, consultant, described a fair starting point for the discussion with public input and others throughout the Valley before making a concrete decision.</p>	
---	--	--



**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 18, 2023**

	<p>The Board inquired about the circumstances without an option to purchase Desert Regional Medical Center at the end of the lease, Tenet’s specific plans for investment, and details for not proposing an identical lease to the current terms and thanking Tenet and the public for their comments.</p> <p>President PerezGil asked for a motion to consider the proposal with further discussion at a future Board meeting.</p>	<p>#23-49 MOTION WAS MADE by Director Shorr and seconded by Director Rogers to consider the Tenet proposal with further discussion at a future Board meeting. Motion passed unanimously. AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza NOES – 0 ABSENT – 0</p>
<p>F. Immediate Issues and Board Comments</p>	<p>There were no immediate issues and Board comments.</p>	
<p>G. Adjournment</p>	<p>President PerezGil adjourned the meeting at 7:24 p.m.</p>	<p><i>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</i></p>

ATTEST: _____
 Carole Rogers, RN, Secretary, Board of Directors
 Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer

Public comment 9/18/23 District Board meeting

Kim Jakab, CNA Labor Representative

Under the current 30-year lease with Tenet, they have made almost a billion dollars in profit. Tenet is the one who has benefited the most out of this agreement with the profit made off our community and patients. Tenet will continue to profit from our community with their current model of care, failure to adhere to Title 22 and not reinvesting more back into our hospital.

- DRMC is Tenet's most profitable hospital in California. In fact, DRMC's profits in 2021, when it alone generated over \$130 million, constituted 36% of Tenet's total net income from its thirteen California hospitals.
- In 2021, DRMC's profits were also 14% of the entire corporation's profits of \$915 million.
- In 2022, DRMC was one of only 80 California hospitals to be penalized by CMS for an excess number of hospital-acquired conditions.
- Yet its current rating on Medicare's Hospital Compare website is just two stars—out of a total of five.

In June, Dan Cancelmi, Tenet's CFO and Executive VP, told a crowd at the Goldman Sachs Healthcare Conference about their "decisions to limit capacity" being related to the cost of hiring traveling nurses. Desert nurses have experienced this directly and only recently due to CHPH complaints and Assignment Despite Objection forms nurses filed has Desert brought in additional travelers. As patient advocates, nurses demand Tenet invest back into our community and stop putting profits over patients. Nurses know that the Board wants Palm Springs to be a place where residents receive quality medical care, and the RNs know exactly how to provide that quality care--but only if Tenet gives them the resources they require to make that happen. Please help us give our community the kind of medical care that they deserve by helping us to hold Tenet accountable.



**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 20, 2023**

Directors Present	District Staff Present	Absent
President Evett PerezGil Vice-President Carmina Zavala, PsyD Carole Rogers, RN, Secretary Treasurer Arthur Shorr Director Les Zendle, MD Director Leticia De Lara, MPA Director Kimberly Barraza	Jeff Scott, Legal Counsel	

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order Roll Call	President PerezGil called the meeting to order at 5:33 p.m. The Clerk of the Board called the roll with all directors present.	
B. Pledge of Allegiance	President PerezGil omitted the pledge of allegiance due to time constraints.	
C. Approval of Agenda	President PerezGil asked for a motion to approve the agenda.	#23-50 MOTION WAS MADE by Director Rogers and seconded by Director Barraza to approve the agenda. Motion passed unanimously. AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza NOES – 0 ABSENT – 0
D. Public Comment		
E. Convene to Closed Session of the Desert Healthcare District Board of Directors 1. Pursuant to Government Code Section 54957(b) Public Employee Performance Evaluation (Existing District Staff)	The directors adjourned to a 10-minute break at 6:31 p.m. and reconvened at 6:40 p.m.	



**DESERT HEALTHCARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 20, 2023**

F. Reconvene to Open Session of the Desert Healthcare District Board of Directors		
G. Report After Closed Session	Counsel Scott reported that the in closed session it was moved by Director Zendle, seconded by Director Shorr and approved 4-3 with Directors De Lara, Zavala, and Barraza, in opposition, to direct counsel to take appropriate action concerning the confidential matter related to the CEO's contract.	
H. Adjournment	President PerezGil adjourned the meeting at 8:32 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents

ATTEST: _____
 Carole Rogers, RN, Secretary, Board of Directors
 Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer



**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023**

Directors Present	District Staff Present	Absent
President Evett PerezGil Vice-President Carmina Zavala, PsyD Secretary Carole Rogers, RN Treasurer Arthur Shorr Director Les Zendle, MD Director Leticia De Lara, MPA Director Kimberly Barraza	Chris Christensen, Interim CEO Donna Craig, Chief Program Officer Alejandro Espinoza, MPH, Chief of Community Engagement Jana Trew, Senior Program Officer Will Dean, Marketing and Communications Director Andrea S. Hayles, Board Relations Officer <u>Legal Counsel</u> Jeff Scott	

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order Roll Call	President PerezGil called the meeting to order at 5:32 p.m. The Clerk of the Board called the roll with all directors present except Vice-President Zavala who joined the meeting at 5:37 p.m.	
B. Pledge of Allegiance	President PerezGil led the pledge of allegiance.	
C. Approval of Agenda	President PerezGil asked for a motion to approve the agenda.	#23-51 MOTION WAS MADE by Director Zendle and seconded by Director Rogers to approve the agenda. Motion passed unanimously. AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza NOES – 0 ABSENT – 0
D. Public Comment	Letters emailed from Edward Kissam, Co-Trustee, Werner-Kohnstamm Family Giving Fund, Brad Anderson, Rancho Mirage Resident, and Sergio	

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023**

	<p>Aguilar-Gaxiola, MD, PhD, Director, Center for Reducing Health Disparities, UC Davis, are attached to the meeting minutes.</p> <p>The following individuals provided public comments supporting former CEO Conrado Bárzaga, MD:</p> <p>Ricardo Loretta, Executive Director, Dr. Carreon Foundation</p> <p>Belen Navarro, Promotora, Vision y Compromiso</p> <p>Heather Vaikona, CEO of Lift to Rise</p> <p>Joey Acuna, Jr., Board Member, CVUSD</p> <p>Greg Rodriguez, deputy director of Housing and Workforce Solutions, Riverside County</p> <p>Debbie Arthur, read a letter on behalf of Maria Lemmus, Executive Director, Vision Y Compromiso (attached to the meeting minutes)</p> <p>Ezra Kaufman, a Palm Desert Resident, provided his concerns with the Tenet lease renewal proposal as presented at the September 18 special meeting of the Board.</p>	
<p>E. Consent Agenda</p> <p>1. BOARD MINUTES a. Board of Directors – July 25, 2023</p> <p>2. FINANCIALS a. Approval of the Preliminary June 2023 and July and</p>	<p>President PerezGil asked for a motion to approve the consent agenda.</p>	<p>#23-52 MOTION WAS MADE by Director Baraza and seconded by Director Rogers to approve the consent agenda except item E.3.a., E5.a., and E.7.e. Motion passed unanimously.</p>

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023**

<p>August 2023 Financial Statements– F&A Approved July 19, 2023 & September 13, 2023</p> <p>3. APPOINTMENTS</p> <p>a. Appointment of Chris Christensen as Interim Chief Executive Officer</p> <p>4. LEASE AGREEMENTS</p> <p>a. Las Palmas Medical Plaza – Lease Renewal – Dr. Awad – Suite #3W-105 – 5 years</p> <p>5. MEMORANDUM OF UNDERSTANDING</p> <p>a. Coachella Valley Resource Conservation District – Medical Trailer for Filling Medical Prescriptions and Providing Healthcare to the Underserved Populations in the Coachella Valley with an emphasis on Agricultural Workers - \$140,000</p> <p>6. AGREEMENTS</p> <p>a. Termination of the agreement between Magdalena Martinez dba Personnel 411 Consulting and the Desert Healthcare District</p> <p>7. POLICIES</p> <p>a. Policy #BOD-04 – Attendance at Meetings</p> <p>b. Policy #BOD-05 – Basis of Authority</p> <p>c. Policy #BOD-07 – Board Meeting Agenda</p> <p>d. Policy #BOD-12 – Minutes of Board & Committee Meetings</p>	<p>Director De Lara pulled items E3.a. and E5.a., and Director Zendle pulled item E.7.e.</p> <p>Director De Lara thanked former CEO Conrado B�rzsaga for his leadership, especially during the pandemic.</p> <p>Director Barraza described Dr. B�rzsaga’s value to the community, thanked him for his service, and encouraged the public to support the District in the executive search for a new CEO.</p> <p>Director Shorr described Interim CEO Chris Christensen’s work as the CFO and CAO and highly qualified as the Interim CEO.</p> <p>Director De Lara described the efforts of staff in leading the supplemental mobile unit and the partnership with the Coachella Valley Resource Conservation District as noted in the staff report for item E.5.a. The Board discussed the operations of the mobile unit and a modification to the MOU excluding filling medical prescriptions as a component of providing healthcare to the underserved populations and additional options for future proposals with a minimum of two choices.</p> <p>Director Zendle described the recent discussions and referencing item 1.6 of E.7.e.</p>	<p>AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, Director Barraza</p> <p>NOES – 0</p> <p>ABSTAIN – 0</p> <p>#23-53 MOTION WAS MADE by Director Shorr and seconded by Director Rogers to approve item E.3.a.</p> <p>Motion passed 5-0.</p> <p>AYES – 5 President PerezGil, Secretary Rogers, Director Shorr, Director Zendle, and Director De Lara</p> <p>NOES – 0</p> <p>ABSTAIN – 2 Vice-President Zavala and Director Barraza</p> <p>ABSENT – 0</p> <p>#23-54 MOTION WAS MADE by Director De Lara and seconded by Director Barraza to approve item E.5.a. as submitted to the Board.</p> <p>Motion passed 4-1.</p> <p>AYES – 4 Vice-President Zavala, Secretary Rogers, Director Zendle, and Director De Lara</p> <p>NOES –1 Director Shorr</p> <p>ABSTAIN – 2 President PerezGil and Director Zendle</p> <p>ABSENT – 0</p> <p>#23-55 MOTION WAS MADE by Director Zendle and seconded by Director Rogers for the Policy Committee to review Policy</p>
---	---	---

DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023

<p>e. Policy #BOD-13 – Memberships of Organizations, Training, Education and Conferences</p> <p>f. Policy #BOD-14 – Ethics & Sexual Harassment Training</p> <p>g. Policy #FIN-06 – Financial Reserve Policy</p> <p>h. Policy #OP-11 – Professional Services</p> <p>i. Policy #OP-12 – Compensation</p> <p>j. Policy #PROC-01 – Purpose of Board Policies</p>	<p>and the Board official duties and attendance at meeting with more definition and clarification for consideration for District business.</p> <p>Director Zendle motioned for the Policy Committee to review item E.7 once again for further discussion and clarification.</p>	<p>#BOD-13 once more for further clarification.</p> <p>Motion passed unanimously.</p> <p>AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza</p> <p>NOES – 0</p> <p>ABSTAIN – 0</p> <p>ABSENT – 0</p>
<p>F. Strategic Funding</p> <p>1. Consideration to approve Grant #1400 Desert ARC – \$271,307 for one year to support one LVN salary for Day Program; AEDs for buses and vehicles in transportation program; and contracted Behavior Health Analyst</p> <p>2. Consideration to approve Grant #1404 Martha’s Village and Kitchen – \$369,730 for two years to cover staffing costs for outreach and wraparound services in Indio</p>	<p>President PerezGil inquired about any questions concerning Desert ARC’s \$271,307 grant request.</p> <p>There were no questions or comments.</p> <p>President PerezGil inquired about any questions concerning Martha’s Village and Kitchen’s \$369,730 grant request.</p>	<p>#23-56 MOTION WAS MADE by Director De Lara and seconded by Director Zendle to approve Grant #1400 Desert ARC – \$271,307 for one year to support one LVN salary for Day Program; AEDs for buses and vehicles in transportation program; and contracted Behavior Health Analyst.</p> <p>Motion passed unanimously.</p> <p>AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza</p> <p>NOES – 0</p> <p>ABSENT – 0</p> <p>#23-57 MOTION WAS MADE by Director Barraza and seconded by Director De Lara to approve Grant #1404 Martha’s Village and Kitchen – \$369,730 for two years to cover staffing costs for</p>

DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023

<p>and 4 targeted cities; staffing for Employment Specialists; staffing for a Case Manager and other operating costs, printing, and mileage.</p> <p>3. Consideration to approve Grant #1405 Variety Childrens Charities of the Desert – \$120,852 for one year to support hiring two bilingual full time Program Specialists to expand the organization’s Caring Connections program.</p>	<p>There were no questions or comments.</p> <p>President PerezGil inquired about any questions concerning Variety Childrens Charities of the Desert \$120,852 grant request.</p> <p>Upon inquiry from Vice-President Zavala, Heidi Maldoon, Executive Director of Variety Childrens Charities of the Desert, indicated that the agency does not charge for services and receives no funds from the Inland Regional Center (IRC).</p> <p>Donna Craig, Chief Program Officer, inquired with Vice-President PerezGil for the benefit of the grantee concerning her declination of the grant. Vice-President Zavala described the \$50k supplies, resident workshops, and program specialists, with Ms. Craig clarifying that the total project budget is \$50k,</p>	<p>outreach and wraparound services in Indio and 4 targeted cities; staffing for Employment Specialists; staffing for a Case Manager and other operating costs, printing, and mileage. Motion passed unanimously. AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza NOES – 0 ABSENT – 0</p> <p>#23-58 MOTION WAS MADE by Director Rogers and seconded by Director De Lara to approve Grant #1405 Variety Childrens Charities of the Desert – \$120,852 for one year to support hiring two bilingual full time Program Specialists to expand the organization’s Caring Connections program. Motion passed 6-1. AYES – 6 President PerezGil, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza NOES – 1 Vice-President Zavala ABSENT – 0</p>
---	--	--

DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023

<p>4. Consideration to approve an agreement with Partners in Medical Education, Inc., NTE \$17,000 to lead a feasibility study on Graduate Medical Education (GME) opportunities in the Coachella Valley</p>	<p>with the funds deriving from other sources.</p> <p>President PerezGil inquired about any questions concerning Partners in Medical Education’s \$17,000 feasibility study for Graduate Medical Education (GME) opportunities in the Coachella Valley.</p> <p>The Board expressed their support for the feasibility study due to the shortage of physicians and nurses.</p>	<p>#23-59 MOTION WAS MADE by Director De Lara and seconded by Director Zendle to approve an agreement with Partners in Medical Education, Inc., NTE \$17,000 to lead a feasibility study on Graduate Medical Education (GME) opportunities in the Coachella Valley</p> <p>Motion passed unanimously.</p> <p>AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza</p> <p>NOES – 0</p> <p>ABSENT – 0</p>
<p>G. Training and Development</p> <p>1. Addendum #1 – Activate Inclusion Continuation of Board and Staff Diversity, Equity, and Inclusion (DEI) Training – NTE \$51,500 through July 2024</p>	<p>President PerzGil inquired with the Board concerning any questions about the Activate Inclusion DEI Training.</p> <p>After discussion, the Board agreed to pause the training until a permanent CEO is hired, including additional details about the training.</p>	<p>#23-60 MOTION WAS MADE by Director Rogers and seconded by Director De Lara to pause the training until a permanent CEO is hired, including additional training details.</p> <p>Motion passed unanimously.</p> <p>AYES – 7 President PerezGil, Vice-President Zavala, Secretary Rogers, Director Shorr, Director Zendle, Director De Lara, and Director Barraza</p> <p>NOES – 0</p> <p>ABSENT – 0</p>
<p>H. Reports</p> <p>1. Desert Regional Medical Center CEO Report – Michele Finney, CEO</p>	<p>Linda Evans, CEO, Chief Strategy Officer, Desert Care Network, Desert Regional Medical Center (DRMC), provided an overview of the CEO report in the absence of Michele Finney, CEO,</p>	

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023**

<p>2. Desert Regional Medical Center Governing Board Meeting – President Evett PerezGil and Director Les Zendle, MD</p> <p>3. Legal – Jeffrey G. Scott, Esq., Law Offices of Jeffrey G. Scott</p> <p>4. Desert Healthcare District CEO Report – Chris Christensen, Interim CEO</p> <p>a. Certificate of Appreciation - Alianza Nacional de Campesinas</p> <p>b. Certificate of Appreciation - California CareForce</p> <p>c. Community Investment Awards – Lift to Rise Community Anchor Award – October 14, 2023</p> <p>d. Community Engagements and District Media Visibility</p>	<p>describing the most recent updates at DRMC, including Quality, Capital and Construction Projects, People, and Events.</p> <p>President PerezGil inquired about any questions concerning the Governing Board report.</p> <p>There were no questions or comments.</p> <p>Jeff Scott, Legal Counsel, provided an overview of SB 525 - Durazo and the anticipated review, veto, or signature by Governor Newsom.</p> <p>Chris Christensen, Interim CEO, described the certificates from Alianza Nacional de Campesinas and California CareForce while highlighting the District’s work, the forthcoming Community Anchor Award at Lift to Rise’s Community Investment Awards, and the Community Engagements and District Media Visibility.</p>	
<p>I. Committee Meetings –</p>		

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023**

<p>I.1.1. Board and Staff Communications and Policies Committee a. Draft Meeting Minutes – September 07, 2023</p>	<p>President PerezGil inquired about any questions concerning the September Board and Staff Communications and Policies Committee meeting minutes.</p> <p>There were no questions or comments.</p>	
<p>I.1.2. Program Committee</p> <ul style="list-style-type: none"> a. Draft Meeting Minutes – September 12, 2023 b. Health Career Connections (HCC) summer intern – closing paper c. Progress and Final Reports Update d. Grant applications and Request for Proposals Submitted and Under Review e. Grant Payment Schedule 	<p>President PerezGil inquired about any questions concerning the September Program Committee meeting minutes, Health Career Connections (HCC) summer intern closing paper, the Progress and Final Reports Update, the Grant Applications and Request for Proposals Submitted and Under Review, and the Grant Payment Schedule.</p> <p>Director De Lara thanked and commended the staff for their work with Chloe Vartanian, Health Career Connections summer intern.</p>	
<p>I.1.3. Finance, Legal, Administration, & Real Estate Committee</p> <ul style="list-style-type: none"> a. Draft Meeting Minutes – September 13, 2023 	<p>President PerezGil inquired about any questions concerning the September F&A Committee meeting minutes.</p>	

**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023**

<p>I.1.4. Strategic Planning Committee Meeting</p> <ul style="list-style-type: none"> a. Draft Meeting Minutes – September 20, 2023 b. FY2021-2026 Strategic Plan <ul style="list-style-type: none"> i. Updates and Developing Grants Allocated to the Strategic Plan Goals 	<p>There were no questions or comments.</p> <p>President PerezGil inquired about any questions concerning the September Strategic Planning Committee meeting minutes and the strategic plan updates and developing grants allocated to the strategic goals.</p> <p>Director Zendle reminded the Board and Staff about the upcoming November 4 strategic planning retreat.</p>	
<p>K. Board Member Comments</p> <ul style="list-style-type: none"> 1. Lift to Rise Housing Community Action Network (CAN) Meeting Recap, Director Carole Rogers 2. Association of California Healthcare Districts (ACHD) Annual Meeting 	<p>President PerezGil inquired about any questions concerning Director Rogers report on the Lift to Rise Housing CAN and Vice-President Zavala’s report on the Association of California Healthcare Districts (ACHD) Annual Meeting.</p> <p>Director Barraza thanked Jana Trew, Senior Program Officer, Behavioral Health and Alejandro Espinoza, Chief of Community Engagement, for presenting and leading the project at the ACHD Annual Meeting.</p> <p>Director Rogers described the topics on technology and artificial intelligence’s role with a high success rate at diagnosing skin cancer at the ACHD Annual Meeting.</p>	



**DESERT HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING MINUTES
September 26, 2023**

L. Adjournment	President PerezGil adjourned the meeting at 6:54 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents
-----------------------	---	--

ATTEST: _____
Carole Rogers, RN, Secretary, Board of Directors
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer

DRAFT

From: [Edward Kissam](#)
To: [Andrea Hayles](#)
Subject: Comment urging reinstatement of Dr. Conrado Barzaga
Date: Tuesday, September 26, 2023 12:43:49 PM
Attachments: [Letter urging Conrado Barzaga reinstatement 9-25.pdf](#)

Dear Ms. Hayles:

I have been traveling and only heard of the Board's plan to relieve Dr. Conrado Barzaga of his duties yesterday evening. As much as I would like to attend this evening's meeting to express my dismay, I cannot attend so I would like to have you add this e-mail and the attached letter to the public comments as per the instructions in your agenda announcing tonight's meeting.

My letter summarizes some of the reasons I think the Board's planned action is unwise. Practically speaking, a first step I would urge the board to take to avoid this serious mistakes would be to postpone its decision to appoint an interim CEO and to take adequate time to reconsider its' hasty decision.

Sincerely,

Ed Kissam

WKFamilyfund.org

CA Governor's Service Award-Best Foundation of 2018



September 25, 2023

Desert Healthcare District and Foundation
1140 N. Indian Canyon Dr.
Palm Springs, CA 92262

Dear Members, District Board of Directors:

I am writing to urge you to reinstate Dr. Conrado Barzaga as your CEO. His leadership of the public health efforts in the Coachella Valley has been exemplary. I am not aware of the reasons the Board has in mind for the proposed transition in leadership, but believe it would be a terrible mistake for your organization to part ways with Dr. Barzaga.

Many of us who worked intensively in California's response to the COVID-19 pandemic have been deeply concerned about the health disparities for marginalized populations and concerned about the consequences for the populations themselves and for the health of the communities in which they live and work.

As a funder of a number of initiatives to improve the health and wellbeing of farmworkers and the sustainability of the food systems on which our communities rely, we are aware of the challenges to overcoming the longstanding health disparities confronted by racial/ethnic minorities and disadvantaged low-income families such as farmworkers. Dr. Barzaga's leadership of the District's initiative were impressive in this regard, and have shown a dramatic positive impact on the Coachella Valley.

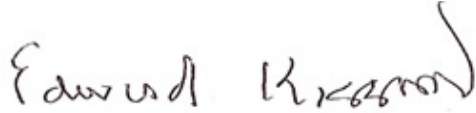
As a member of the National Center for Farmworker Health's Advisory Committee to the CDC I pointed to the collaborative community efforts Dr. Barzaga led in the Coachella Valley as an example of a successful strategy that would benefit similar areas around the U.S. His success in bringing diverse community networks together to collaborate is, for example, one we all can learn from. We surely hope to see him continue in this role in this important region.

I have also had the opportunity to reference Dr. Barzaga's strategies as part of the training I provided to the NIH RADx-UP Evidence Academy as we were all struggling to improve access to COVID-19 testing, and as part of the collaborative efforts by the NIH-funded Community Engagement Alliance statewide network building stronger community partnerships to increase COVID-19 vaccine uptake, I also benefited from Dr. Barzaga's practical experience as I engaged in collaborative planning and implementation of California's COVID-19 outreach initiatives to migrant and seasonal farmworkers spearheaded by the Center for Reducing Health Disparities at the University of California, Davis.

Your parting ways with such a distinguished public health leader is an embarrassment for the community and disservice to the vulnerable populations that are a central concern for public health. Along with many other professionals, funders, and researchers, I know that we face further pandemic crises in the future. It is irresponsible to discard the strategic skills Dr. Barzaga has at a point when we should all be focusing on learning all we can from crisis response during the past several years.

I strongly urge you to reconsider your proposed leadership transition. Please feel free to contact me further if you need additional information about the importance of Dr. Barzaga's insights and values of his contributions to public health, here locally in the Coachella Valley, in California, and nationally.

Sincerely,

A handwritten signature in black ink that reads "Edward Kohnstamm". The signature is written in a cursive style with a large, sweeping initial "E".

Co-Trustee, Werner-Kohnstamm Family Giving Fund
<http://www.wkfamilyfund.org>

From: [Brad Anderson](#)
To: [Andrea Hayles](#)
Subject: Public Comment - Agenda Item: 3-a, DHCD Board of Directors meeting (September 26, 2023 - 5:30PM)
Date: Tuesday, September 26, 2023 1:47:30 AM

September 26, 2023

Desert Healthcare District (DHCD)
Board of Directors
Office location:
1140 N. Indian Canyon Dr.
Palm Springs, CA. 92262
760.323.6113

Meeting location:
41550 Eclectic St. - Conference room #103
Palm Desert, CA. 92211
Attn: Clerk of the Board - ahayles@dhed.org

Re: Written letter to be entered in the Public record and made available for the September 26, 2023 - DHCD Board of Directors meeting (5:30PM) - Agenda Item: 3-a (Appointment of Intern CEO)

Dear current DHCD Board of Directors,

This letter is in support of the Desert Healthcare District (DHCD) Board members selection of individual (Mr. Christensen) to hold the employment position of Interim Chief Executive officer (CEO) until more details of that open position are publicly known.

Please be aware, that political representatives of your region (Congress person Ruiz and Riverside County fourth District Board Supervisor Perez) had made reckless allegations through their local media allies to foster support for Dr. Conrado Barzago (suspected released employee) without disclosing their reasoning.

It's crystal clear that the Desert Healthcare District (DHCD) has become a stakeholder for Coachella Valley political representatives (mentioned above) that promote "Robin hood political tactics" (Redistribution) of tax collected dollars to selected Individuals/group's that claim to be disadvantaged and or treated differently due to self appointed beliefs of potential social justice details and or special Interests (perceived non-profit).

Please consider allowing citizens the opportunity to dismantle the current DHCD Board of Directors (that have helped to complicate health care in the Coachella Valley for years) and potentially accommodate New healthcare facilities North of Interstate ten (I-10) and in the eastern Coachella Valley.

If New healthcare facilities are not possible - the Desert Healthcare District should be dissolved and all assets should be sold as soon as possible.

It's time to be accountable to the residents that fund the current DHCD - its absolutely clear that the current structure of the DHCD serves No one but themselves. Other health care providers are accessible and approachable throughout the region - DHCD collected dollars

shouldn't be redirected at the whims of entrenched DHCD Board member's.

Sincerely,

Brad Anderson | Rancho Mirage, CA. 92270 |

Cc:

From: [Edward Kissam](#)
To: [Andrea Hayles](#)
Subject: Comment from Dr. Sergio Aguilar-Gaxiola re Dr. Conrado Barzaga dismissal for September 26 meeting
Date: Tuesday, September 26, 2023 3:37:48 PM
Attachments: [Aguilar-Gaxiola Letter Conrado Barzaga 9 6 2023.pdf](#)

Dear Ms. Hayles,

My colleague, Dr. Sergio Aguilar-Gaxiola, at the University of California, Davis, asked me to forward his comments to you in order to meet your deadline of 4PM for receiving comments since he is rushing out the door to a meeting in the Bay Area. Here are his comments in the attached PDF file.

Best,

Ed Kissam

September 26, 2023

Desert Healthcare District and Foundation
1140 N. Indian Canyon Dr.
Palm Springs, CA 92262

Desert Health Care District and Foundation Board of Directors,

I am writing to express my extreme surprise at hearing the news yesterday that you plan to dismiss Dr. Conrado Bárzaga as your CEO. I was one of the many Latino public health leaders who welcomed your hiring him back in 2019. I have had conversations with him about the meaningful work he has been doing in his role as CEO providing services to Coachella Valley residents and historically underserved communities. I have been positively impressed by his servant leadership and coalition-building skills in moving forward with very successful public health efforts in the Coachella Valley, an area of great need. I have other colleagues who were also positively impressed with his commitment and work. I urge you to reconsider and reinstate him as your CEO.

As the Director of the Center for Reducing Health Disparities at the University of California, Davis Health, I am an engaged leader in efforts to address health disparities and advance health/mental health equity for Latino and other historically underserved populations at the local, state, national and international levels, I see Dr. Bárzaga's dismissal as a major setback to our ongoing collective efforts to advance health equity in what are challenging circumstances for many communities.

Dr. Bárzaga's leadership in the Coachella Valley has been on my radar screen here in the state, particularly in our collective efforts to reduce inequities that California farmworker communities face throughout the state in efforts to be tested for COVID-19, vaccinated, and afforded access to the timely treatment required to combat COVID-19 infection. In our statewide efforts to assure farmworker equity in the context of the COVID-19 pandemic, Dr. Bárzaga's deeply committed and inclusive partnerships have been a source of inspiration that I have shared with various organizations such as the California Department of Public Health leadership. I have also shared his work with the University of California Health System partners in the NIH-funded CEAL/STOP COVID-19 CA initiative, and with community-based organization partners in our multi-county efforts to achieve equitable farmworker access to testing (ORALE COVID-19) and testing, vaccination and test to-treat efforts (MOVE IT UP and MOVE IT UP²), follow-on efforts to promote farmworker vaccination and access to treatment aligned with the national and state Test-To-Treat model.

After conducting community-engaged research and developing, implementing, evaluating and disseminating best practices for decades in rural California, I am quite familiar with the challenges Dr. Bárzaga has faced in the Coachella Valley and know that future progress toward advancing health equity for millions of California farmworkers and family members will rest on the lessons learned by leaders such as Dr. Barzaga. I anticipate that your dismissal of such a distinguished public health leader would be seen at odds with your stated Mission and Vision (<https://www.dhcd.org>) and disservice to the field. As a public health professional and advocate for continuous strategic learning and improvements in partnerships between academic institutions and grassroots community-based organizations, I know that we face multiple challenges, including further pandemic crises, in the future. We all hope to benefit

from Dr. Barzaga's energy, commitment and vision to continue to advance health equity with historically underserved populations.

I strongly urge you to reconsider your proposed leadership transition.

Sincerely,



Sergio Aguilar-Gaxiola, MD, PhD
Professor of Clinical Internal Medicine
Director, Center for Reducing Health Disparities (CRHD)

Visión y Compromiso™



September 26, 2023

Evett PerezGil, President
Board of Directors
Desert Health Care District and Foundation

For submission during public comment, board of directors meeting, 9/26/23

Dear Ms. PerezGil, President of the Board:

As Executive Director of Visión y Compromiso and as a grantee of the Desert Health Care District (District), I am submitting this letter to express our strong support for Dr. Bárzaga as a key advocate for equity in the Coachella Valley and to share our dismay and concern that he has been removed by the Board as CEO of the District.

As you know, Visión y Compromiso has been a strong ally and partner of the District for several years. Given Dr. Bárzaga's long list of accomplishments in Riverside County and in the Coachella Valley, his termination is entirely unexpected and appears to be out of sync with and in contradiction of the District's strategic goals.

I disagree with this decision by the Board and feel compelled to make my opinion known. Recent activities by the District were moving forward in way that could have truly advanced racial, health and economic equity in the Valley. I ask that you reconsider this decision and reinstate Dr. Bárzaga as CEO. Thank you.

Please keep me updated as to your next steps.

Regards,

Maria Lemus
Executive Director
maria@visionycompromiso.org

cc: DHCD Board Members:
Carmina Zavala, PsyD, MA, Vice-Chair
Carole Rogers, RN, MPH Secretary
Arthur Shorr, Treasurer
Kimberly Baraza, Director
Leticia de Lara, MPA, Director
Les Zendle, MD, Director



DESERT HEALTHCARE DISTRICT
SEPTEMBER 2023 FINANCIAL STATEMENTS
INDEX
Year to Date Variance Analysis
Cumulative Profit & Loss Budget vs Actual - Summary
Cumulative Profit & Loss Budget vs Actual - District Including LPMP
Cumulative Profit & Loss Budget vs Actual - LPMP
Balance Sheet - Condensed View
Balance Sheet - Expanded View
Accounts Receivable Aging
Deposit Detail - District
Property Tax Receipts - YTD
Deposit Detail - LPMP
Check Register - District
Credit Card Expenditures
Check Register - LPMP
CEO Discretionary Fund
Retirement Protection Plan Update
Grants Schedule

**DESERT HEALTHCARE DISTRICT
YEAR TO DATE VARIANCE ANALYSIS
ACTUAL VS BUDGET
THREE MONTHS ENDED SEPTEMBER 30, 2023**

Scope: \$25,000 Variance per Statement of Operations Summary				
	YTD		Over(Under)	
Account	Actual	Budget	Budget	Explanation
4000 - Income	\$ 440,222	\$ 11,001	\$ 429,221	Higher interest income and market fluctuations (net) from FRF investments \$329k; higher property tax revenues \$100k
5000 - Direct Expenses	\$ 574,536	\$ 469,074	\$ 105,462	Higher wage related expenses \$145k; lower board expenses \$19k; lower education expense \$16k; lower health insurance expense \$7k; higher retirement expense \$2k
6325-CEO Discretionary Fund	\$ 38,500	\$ 12,501	\$ 25,999	Budget of \$50,000 for fiscal year is amortized straight-line over 12-month fiscal year.
6500 - Professional Fees Expense	\$ 140,503	\$ 414,114	\$ (273,611)	Lower Professional Services expense \$220k; lower PR/Communications expense \$45k; lower legal expense \$9k
7000 - Grants Expense	\$ 641,076	\$ 999,999	\$ (358,923)	Budget of \$4 Million for fiscal year is amortized straight-line over 12-month fiscal year. As of September 30, 2023, there is \$3,358,924 remaining in the fiscal year grant budget, with a total of \$338,600 in unexpended grant funds.

Desert Healthcare District
Profit & Loss Budget vs. Actual
July through September 2023

	MONTH			TOTAL		
	Sep 23	Budget	\$ Over Budget	Jul - Sep 23	Budget	\$ Over Budget
Income						
4000 · Income	(149,709)	3,667	(153,376)	440,222	11,001	429,221
4500 · LPMP Income	116,847	116,723	124	349,981	350,169	(188)
4501 · Miscellaneous Income	0	750	(750)	0	2,250	(2,250)
Total Income	(32,862)	121,140	(154,002)	790,203	363,420	426,783
Expense						
5000 · Direct Expenses	372,051	156,358	215,693	574,536	469,074	105,462
6000 · General & Administrative Exp	56,454	52,110	4,344	144,756	156,330	(11,574)
6325 · CEO Discretionary Fund	5,000	4,167	833	38,500	12,501	25,999
6445 · LPMP Expenses	99,464	104,163	(4,699)	297,424	312,489	(15,065)
6500 · Professional Fees Expense	86,944	138,038	(51,094)	140,503	414,114	(273,611)
6600 · Mobile Medical Unit	0	0	0	292	0	292
6700 · Trust Expenses	5,458	6,542	(1,084)	16,374	19,626	(3,252)
Total Expense Before Grants	625,371	461,378	163,993	1,212,380	1,384,138	(171,758)
7000 · Grants Expense	801,853	333,333	468,520	641,076	999,999	(358,923)
Net Income	(1,460,086)	(673,571)	(786,515)	(1,063,254)	(2,020,717)	957,463

Desert Healthcare District
Profit & Loss Budget vs. Actual
 July through September 2023

	MONTH			TOTAL		
	Sep 23	Budget	\$ Over Budget	Jul - Sep 23	Budget	\$ Over Budget
Income						
4000 · Income						
4010 · Property Tax Revenues	0	0	0	99,918	0	99,918
4200 · Interest Income						
4220 · Interest Income (FRF)	4,468	85,000	(80,532)	223,180	255,000	(31,820)
9999-1 · Unrealized gain(loss) on invest	(156,177)	(83,333)	(72,844)	111,124	(249,999)	361,123
Total 4200 · Interest Income	(151,709)	1,667	(153,376)	334,304	5,001	329,303
4300 · DHC Recoveries	2,000	2,000	0	6,000	6,000	0
Total 4000 · Income	(149,709)	3,667	(153,376)	440,222	11,001	429,221
4500 · LPMP Income	116,847	116,723	124	349,981	350,169	(188)
4501 · Miscellaneous Income	0	750	(750)	0	2,250	(2,250)
Total Income	(32,862)	121,140	(154,002)	790,203	363,420	426,783
Expense						
5000 · Direct Expenses						
5100 · Administration Expense						
5110 · Wages Expense	345,939	131,159	214,780	533,358	393,477	139,881
5111 · Allocation to LPMP - Payroll	(6,539)	(6,539)	0	(19,617)	(19,617)	0
5112 · Vacation/Sick/Holiday Expense	19,530	15,000	4,530	53,523	45,000	8,523
5114 · Allocation to Foundation	(33,148)	(33,148)	0	(99,444)	(99,444)	0
5119 · Allocation-FED FUNDS/CVHIP-DHCF	(17,071)	(17,071)	0	(55,190)	(51,213)	(3,977)
5120 · Payroll Tax Expense	14,875	10,578	4,297	32,567	31,734	833
5130 · Health Insurance Expense						
5131 · Premiums Expense	20,363	22,456	(2,093)	64,896	67,368	(2,472)
5135 · Reimb./Co-Payments Expense	498	1,950	(1,452)	1,214	5,850	(4,636)
Total 5130 · Health Insurance Expense	20,861	24,406	(3,545)	66,110	73,218	(7,108)
5140 · Workers Comp. Expense	1,722	585	1,137	2,576	1,755	821
5145 · Retirement Plan Expense	15,365	10,486	4,879	33,559	31,458	2,101
5160 · Education Expense	2,740	8,333	(5,593)	8,640	24,999	(16,359)
Total 5100 · Administration Expense	364,274	143,789	220,485	556,082	431,367	124,715

Desert Healthcare District
Profit & Loss Budget vs. Actual
July through September 2023

	MONTH			TOTAL		
	Sep 23	Budget	\$ Over Budget	Jul - Sep 23	Budget	\$ Over Budget
5200 · Board Expenses						
5210 · Healthcare Benefits Expense	1,222	4,188	(2,966)	6,148	12,564	(6,416)
5230 · Meeting Expense	1,668	3,708	(2,040)	4,518	11,124	(6,606)
5235 · Director Stipend Expense	3,859	3,465	394	6,505	10,395	(3,890)
5240 · Catering Expense	250	1,000	(750)	485	3,000	(2,515)
5250 · Mileage Reimbursement Expense	778	208	570	798	624	174
Total 5200 · Board Expenses	7,777	12,569	(4,792)	18,454	37,707	(19,253)
Total 5000 · Direct Expenses	372,051	156,358	215,693	574,536	469,074	105,462
6000 · General & Administrative Exp						
6110 · Payroll fees Expense	234	208	26	622	624	(2)
6120 · Bank and Investment Fees Exp	5,769	5,200	569	16,258	15,600	658
6125 · Depreciation Expense	1,905	2,000	(95)	5,715	6,000	(285)
6126 · Depreciation-Solar Parking lot	15,072	15,072	0	45,216	45,216	0
6127 · Depreciation - Autos	5,984	3,287	2,697	15,654	9,861	5,793
6130 · Dues and Membership Expense	4,346	5,385	(1,039)	7,890	16,155	(8,265)
6200 · Insurance Expense	4,133	4,950	(817)	12,399	14,850	(2,451)
6300 · Minor Equipment Expense	0	42	(42)	0	126	(126)
6305 · Auto Allowance & Mileage Exp	1,077	500	577	2,001	1,500	501
6306 · Staff- Auto Mileage reimb	409	625	(216)	881	1,875	(994)
6309 · Personnel Expense	0	375	(375)	0	1,125	(1,125)
6310 · Miscellaneous Expense	0	42	(42)	0	126	(126)
6311 · Cell Phone Expense	574	900	(326)	1,720	2,700	(980)
6312 · Wellness Park Expenses	0	83	(83)	0	249	(249)
6315 · Security Monitoring Expense	0	50	(50)	108	150	(42)
6340 · Postage Expense	200	333	(133)	628	999	(371)
6350 · Copier Rental/Fees Expense	377	500	(123)	1,131	1,500	(369)
6351 · Travel Expense	4,937	2,500	2,437	10,385	7,500	2,885
6352 · Meals & Entertainment Exp	602	2,417	(1,815)	1,748	7,251	(5,503)
6355 · Computer Services Expense	5,421	3,083	2,338	10,750	9,249	1,501
6360 · Supplies Expense	2,418	1,833	585	3,147	5,499	(2,352)
6380 · LAFCO Assessment Expense	180	208	(28)	540	624	(84)
6400 · East Valley Office	2,816	2,517	299	7,963	7,551	412
Total 6000 · General & Administrative Exp	56,454	52,110	4,344	144,756	156,330	(11,574)

Desert Healthcare District
Profit & Loss Budget vs. Actual
July through September 2023

	MONTH			TOTAL		
	Sep 23	Budget	\$ Over Budget	Jul - Sep 23	Budget	\$ Over Budget
6325 · CEO Discretionary Fund	5,000	4,167	833	38,500	12,501	25,999
6445 · LPMP Expenses	99,464	104,163	(4,699)	297,424	312,489	(15,065)
6500 · Professional Fees Expense						
6516 · Professional Services Expense	39,317	103,038	(63,721)	89,459	309,114	(219,655)
6520 · Annual Audit Fee Expense	1,441	1,458	(17)	4,323	4,374	(51)
6530 · PR/Communications/Website	16,186	20,542	(4,356)	16,721	61,626	(44,905)
6560 · Legal Expense	30,000	13,000	17,000	30,000	39,000	(9,000)
Total 6500 · Professional Fees Expense	86,944	138,038	(51,094)	140,503	414,114	(273,611)
6600 · Mobile Medical Unit	0	0	0	292	0	292
6700 · Trust Expenses						
6720 · Pension Plans Expense						
6721 · Legal Expense	0	167	(167)	0	501	(501)
6725 · RPP Pension Expense	5,000	5,000	0	15,000	15,000	0
6728 · Pension Audit Fee Expense	458	1,375	(917)	1,374	4,125	(2,751)
Total 6700 · Trust Expenses	5,458	6,542	(1,084)	16,374	19,626	(3,252)
Total Expense Before Grants	625,371	461,378	163,993	1,212,381	1,384,138	(171,757)
7000 · Grants Expense						
7010 · Major Grant Awards Expense	801,853	333,333	468,520	641,076	999,999	(358,923)
Net Income	(1,460,086)	(673,571)	(786,515)	(1,063,254)	(2,020,717)	957,463

Las Palmas Medical Plaza
Profit & Loss Budget vs. Actual
July through September 2023

				TOTAL					
				Sep 23	Budget	\$ Over Budget	Jul - Sep 23	Budget	\$ Over Budget
Income									
4500 · LPMP Income									
	4505 · Rental Income	80,391	93,600	(13,209)	240,818	280,800	(39,982)		
	4510 · CAM Income	36,456	23,040	13,416	109,163	69,120	40,043		
	4513 · Misc. Income	0	83	(83)	0	249	(249)		
	Total 4500 · LPMP Income	116,847	116,723	124	349,981	350,169	(188)		
Expense									
6445 · LPMP Expenses									
	6420 · Insurance Expense	5,568	4,050	1,518	16,704	12,150	4,554		
	6425 · Building - Depreciation Expense	24,401	27,441	(3,040)	73,171	82,323	(9,152)		
	6426 · Tenant Improvements -Dep Exp	8,900	17,917	(9,017)	26,700	53,751	(27,051)		
	6427 · HVAC Maintenance Expense	1,197	1,333	(136)	4,743	3,999	744		
	6428 · Roof Repairs Expense	0	208	(208)	0	624	(624)		
	6431 · Building -Interior Expense	14,000	625	13,375	27,000	1,875	25,125		
	6432 · Plumbing -Interior Expense	0	833	(833)	3,550	2,499	1,051		
	6433 · Plumbing -Exterior Expense	0	208	(208)	0	624	(624)		
	6434 · Allocation Internal Prop. Mgmt	6,539	6,539	0	19,617	19,617	0		
	6435 · Bank Charges	25	42	(17)	72	126	(54)		
	6437 · Utilities -Vacant Units Expense	26	183	(157)	55	549	(494)		
	6439 · Deferred Maintenance Repairs Ex	0	1,833	(1,833)	5,000	5,499	(499)		
	6440 · Professional Fees Expense	11,485	11,485	0	34,455	34,455	0		
	6441 · Legal Expense	0	83	(83)	0	249	(249)		
	6458 · Elevators - R & M Expense	275	1,083	(808)	2,317	3,249	(932)		
	6460 · Exterminating Service Expense	275	1,000	(725)	825	3,000	(2,175)		
	6463 · Landscaping Expense	0	917	(917)	5,110	2,751	2,359		
	6467 · Lighting Expense	0	417	(417)	0	1,251	(1,251)		
	6468 · General Maintenance Expense	0	83	(83)	0	249	(249)		
	6471 · Marketing-Advertising	842	1,250	(408)	842	3,750	(2,908)		
	6475 · Property Taxes Expense	6,650	6,650	0	19,527	19,950	(423)		
	6476 · Signage Expense	0	625	(625)	0	1,875	(1,875)		
	6480 · Rubbish Removal Medical Waste E	2,303	1,500	803	3,596	4,500	(904)		
	6481 · Rubbish Removal Expense	3,495	2,900	595	9,185	8,700	485		
	6482 · Utilities/Electricity/Exterior	948	625	323	2,458	1,875	583		
	6484 · Utilities - Water (Exterior)	580	833	(253)	2,415	2,499	(84)		
	6485 · Security Expenses	11,955	13,333	(1,378)	36,315	39,999	(3,684)		
	6490 · Miscellaneous Expense	0	167	(167)	3,767	501	3,266		
	Total 6445 · LPMP Expenses	99,464	104,163	(4,699)	297,424	312,489	(15,065)		
	Net Income	17,383	12,560	4,823	52,557	37,680	14,877		

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of September 30, 2023

			Sep 30, 23	Sep 30, 22
ASSETS				
Current Assets				
Checking/Savings				
	1000	CHECKING CASH ACCOUNTS	572,252	1,626,316
	1100	INVESTMENT ACCOUNTS	65,149,459	60,266,448
Total Checking/Savings			65,721,711	61,892,764
Total Accounts Receivable			(16,517)	18,011
Other Current Assets				
	1204.1	Rent Receivable-Deferred COVID	28,593	81,591
	1270	Prepaid Insurance -Ongoing	87,309	78,036
	1279	Pre-Paid Fees	43,551	30,017
Total Other Current Assets			159,453	189,644
Total Current Assets			65,864,647	62,100,419
Fixed Assets				
	1300	FIXED ASSETS	5,265,403	5,070,936
	1335-00	ACC DEPR	(2,681,470)	(2,421,928)
	1400	LPMP Assets	6,829,963	7,100,164
Total Fixed Assets			9,413,896	9,749,172
Other Assets				
	1600	RIGHT TO USE ASSETS	216,235	0
	1611	RTU Accumulated Amortization	(22,178)	0
	1700	OTHER ASSETS	3,723,380	3,524,745
	1800	OTHER RECEIVABLES	3,048,911	0
Total Other Assets			6,966,348	3,524,745
TOTAL ASSETS			82,244,891	75,374,336

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of September 30, 2023

				Sep 30, 23	Sep 30, 22
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
			2000 - Accounts Payable	149,533	27,331
			2001 - LPMP Accounts Payable	15,379	3,712
			Total Accounts Payable	164,912	31,043
Other Current Liabilities					
			2002 - LPMP Property Taxes	19,950	18,750
			2131 - Grant Awards Payable	5,528,337	4,678,225
			2133 - Accrued Accounts Payable	209,550	159,550
			2141 - Accrued Vacation Time	74,264	86,598
			2188 - Current Portion - LTD	0	11,103
			2190 - Investment Fees Payable	14,048	15,000
			Total Other Current Liabilities	5,846,149	4,969,226
			Total Current Liabilities	6,011,061	5,000,269
Long Term Liabilities					
			2171 - RPP-Deferred Inflows-Resources	564,584	492,802
			2172 - Lease - Deferred Inflows	2,982,703	0
			2280 - Long-Term Disability	0	2,981
			2281 - Grants Payable - Long-term	2,475,000	3,520,000
			2285 - Lease Payable	196,798	0
			2290 - LPMP Security Deposits	57,493	64,960
			Total Long Term Liabilities	6,276,578	4,080,743
			Total Liabilities	12,287,639	9,081,012
Equity					
			3900 - *Retained Earnings	71,020,500	67,758,461
			Net Income	(1,063,254)	(1,465,136)
			Total Equity	69,957,246	66,293,325
TOTAL LIABILITIES & EQUITY				82,244,891	75,374,336

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of September 30, 2023

			Sep 30, 23	Sep 30, 22
ASSETS				
Current Assets				
Checking/Savings				
1000 · CHECKING CASH ACCOUNTS				
		1012 · Union Bank Operating - 9356	0	1,399,099
		1016 · US Bank Operating - 5018	502,517	0
		1044 · Las Palmas Medical Plaza - 1241	69,235	0
		1046 · Las Palmas Medical Plaza	0	226,717
		1047 · Petty Cash	500	500
		Total 1000 · CHECKING CASH ACCOUNTS	572,252	1,626,316
1100 · INVESTMENT ACCOUNTS				
		1130 · Facility Replacement Fund	67,477,696	63,179,482
		1135 · Unrealized Gain(Loss) FRF	(2,328,237)	(2,913,034)
		Total 1100 · INVESTMENT ACCOUNTS	65,149,459	60,266,448
		Total Checking/Savings	65,721,711	61,892,764
		Total Accounts Receivable	(16,517)	18,011
Other Current Assets				
		1204.1 · Rent Receivable-Deferred COVID	28,593	81,591
		1270 · Prepaid Insurance -Ongoing	87,309	78,036
		1279 · Pre-Paid Fees	43,551	30,017
		Total Other Current Assets	159,453	189,644
		Total Current Assets	65,864,647	62,100,419
Fixed Assets				
1300 · FIXED ASSETS				
		1310 · Computer Equipment	99,902	90,568
		1320 · Furniture and Fixtures	55,099	33,254
		1321 · Mobile Medical Unit	360,502	197,214
		1322 · Tenant Improvement - RAP #G100	32,794	32,794
		1325 · Offsite Improvements	300,849	300,849
		1331 · DRMC - Parking lot	4,416,257	4,416,257
		Total 1300 · FIXED ASSETS	5,265,403	5,070,936

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of September 30, 2023

	Sep 30, 23	Sep 30, 22
1335-00 · ACC DEPR		
1335 · Accumulated Depreciation	(239,218)	(221,753)
1337 · Accum Deprec- Solar Parking Lot	(2,185,612)	(2,004,747)
1338 · Accum Deprec - LPMP Parking Lot	(217,978)	(195,428)
1339 · Accum Deprec - Autos	(38,662)	0
Total 1335-00 · ACC DEPR	(2,681,470)	(2,421,928)
1400 · LPMP Assets		
1401 · Building	8,705,680	8,705,680
1402 · Land	2,165,300	2,165,300
1403 · Tenant Improvements -New	2,309,146	2,271,406
1404 · Tenant Improvements - CIP	129,550	129,550
1406 · Building Improvements		
1406.1 · LPMP-Replace Parking Lot	676,484	676,484
1406.2 · Building Improvements-CIP	600,684	459,999
1406 · Building Improvements - Other	2,155,288	2,153,527
Total 1406 · Building Improvements	3,432,456	3,290,010
1407 · Building Equipment Improvements	444,268	444,268
1409 · Accumulated Depreciation		
1410 · Accum. Depreciation	(8,212,850)	(7,942,137)
1412 · T I Accumulated Dep.-New	(2,143,587)	(1,963,913)
Total 1409 · Accumulated Depreciation	(10,356,437)	(9,906,050)
Total 1400 · LPMP Assets	6,829,963	7,100,164
Total Fixed Assets	9,413,896	9,749,172
Other Assets		
1600 · RIGHT TO USE ASSETS		
1610 · Right to Use Asset	216,235	0
1611 · RTU Accumulated Amortization	(22,178)	0
1700 · OTHER ASSETS		
1731 · Wellness Park	1,693,800	1,693,800
1740 · RPP-Deferred Outflows-Resources	587,440	836,699
1742 · RPP - Net Pension Asset	1,442,140	994,246
Total 1700 · OTHER ASSETS	3,723,380	3,524,745
1800 · OTHER RECEIVABLES		
1810 · Lease Receivable	3,048,911	0
Total Other Assets	6,966,348	3,524,745
TOTAL ASSETS	82,244,891	75,374,336

Desert Healthcare District
Balance Sheet Previous Year Comparison
As of September 30, 2023

			Sep 30, 23	Sep 30, 22
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
		2000 - Accounts Payable	149,533	27,331
		2001 - LPMP Accounts Payable	15,379	3,712
		Total Accounts Payable	164,912	31,043
Other Current Liabilities				
		2002 - LPMP Property Taxes	19,950	18,750
		2131 - Grant Awards Payable	5,528,337	4,678,225
		2133 - Accrued Accounts Payable	209,550	159,550
		2141 - Accrued Vacation Time	74,264	86,598
		2188 - Current Portion - LTD	0	11,103
		2190 - Investment Fees Payable	14,048	15,000
		Total Other Current Liabilities	5,846,149	4,969,226
		Total Current Liabilities	6,011,061	5,000,269
Long Term Liabilities				
		2171 - RPP-Deferred Inflows-Resources	564,584	492,802
		2172 - Lease - Deferred Inflows	2,982,703	0
		2280 - Long-Term Disability	0	2,981
		2281 - Grants Payable - Long-term	2,475,000	3,520,000
		2285 - Lease Payable	196,798	0
		2290 - LPMP Security Deposits	57,493	64,960
		Total Long Term Liabilities	6,276,578	4,080,743
		Total Liabilities	12,287,639	9,081,012
Equity				
		3900 - *Retained Earnings	71,020,500	67,758,461
		Net Income	(1,063,254)	(1,465,136)
		Total Equity	69,957,246	66,293,325
TOTAL LIABILITIES & EQUITY			82,244,891	75,374,336

Desert Healthcare District
A/R Aging Summary
As of September 30, 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL	COMMENT
Aijaz Hashmi, M.D., Inc.	0	(3,226)	0	0	0	(3,226)	Prepaid
Desert Oasis Healthcare	0	(2,701)	0	0	0	(2,701)	Prepaid
Quest Diagnostics Incorporated	0	(4,478)	0	0	0	(4,478)	Prepaid
Steven Gundry, M.D.	0	(6,113)	0	0	0	(6,113)	Prepaid
TOTAL	0	(16,518)	0	0	0	(16,518)	

Desert Healthcare District
Deposit Detail
September 2023

Type	Date	Name	Amount
Deposit	09/05/2023		2,000
		T-Mobile - Cell Tower Lease	(2,000)
TOTAL			(2,000)
Deposit	09/21/2023		17
		Rogers, Carole - ACHD Conference Reimbursement	(17)
TOTAL			(17)
Deposit	09/29/2023		152,560
Payment	09/29/2023	Desert Healthcare Foundation-	(152,560)
TOTAL			(152,560)
		TOTAL	154,577

DESERT HEALTHCARE DISTRICT										
PROPERTY TAX RECEIPTS FY 2023 - 2024										
RECEIPTS - THREE MONTHS ENDED SEPTEMBER 30, 2023										
	FY 2022-2023 Projected/Actual					FY 2023-2024 Projected/Actual				
	Budget %	Budget \$	Act %	Actual Receipts	Variance	Budget %	Budget \$	Act %	Actual Receipts	Variance
July	0.0%	\$ -	0.0%	\$ 3,676	\$ 3,676	0.0%	\$ -	0.8%	\$ 70,152	\$ 70,152
Aug	0.0%	\$ -	2.2%	\$ 175,271	\$ 175,271	0.0%	\$ -	2.0%	\$ 180,642	\$ 180,642
Sep	0.0%	\$ -	0.0%	\$ 3,382	\$ 3,382	0.0%	\$ -	0.0%	\$ -	\$ -
Oct	2.6%	\$ 208,624	0.0%	\$ -	\$ (208,624)	2.6%	\$ 229,840	0.0%		
Nov	0.4%	\$ 32,096	2.5%	\$ 198,217	\$ 166,121	0.4%	\$ 35,360	0.0%		
Dec	16.9%	\$ 1,356,056	18.2%	\$ 1,458,481	\$ 102,425	16.9%	\$ 1,493,960	0.0%		
Jan	31.9%	\$ 2,559,656	40.6%	\$ 3,259,483	\$ 699,827	31.9%	\$ 2,819,960	0.0%		
Feb	0.0%	\$ -	0.6%	\$ 46,002	\$ 46,002	0.0%	\$ -	0.0%		
Mar	0.3%	\$ 24,072	1.1%	\$ 84,592	\$ 60,520	0.3%	\$ 26,520	0.0%		
Apr	5.5%	\$ 441,320	6.4%	\$ 510,192	\$ 68,872	5.5%	\$ 486,200	0.0%		
May	19.9%	\$ 1,596,776	48.4%	\$ 3,883,733	\$ 2,286,957	19.9%	\$ 1,759,160	0.0%		
June	22.5%	\$ 1,805,400	0.1%	\$ 5,841	\$ (1,799,559)	22.5%	\$ 1,989,000	0.0%		
Total	100%	\$ 8,024,000	120.0%	\$ 9,628,870	\$ 1,604,870	100.00%	\$ 8,840,000	2.8%	\$ 250,794	\$ 250,794

**Las Palmas Medical Plaza
Deposit Detail - LPMP
September 2023**

Type	Date	Name	Amount
Deposit	09/05/2023		7,053
Payment	09/05/2023	EyeCare Services Partners Management LLC	(7,053)
TOTAL			(7,053)
Deposit	09/05/2023		3,264
Payment	09/05/2023	Coachella Valley Volunteers in Medicine-	(3,264)
TOTAL			(3,264)
Deposit	09/07/2023		19,909
Payment	09/05/2023	Brad A. Wolfson, M.D.	(3,927)
Payment	09/05/2023	Cohen Musch Thomas Medical Group	(5,079)
Payment	09/05/2023	Cure Cardiovascular Consultants	(3,345)
Payment	09/05/2023	Palmtree Clinical Research	(7,558)
TOTAL			(19,909)
Deposit	09/11/2023		4,139
Payment	09/11/2023	Desert Family Medical Center	(4,139)
TOTAL			(4,139)
Deposit	09/12/2023		9,966
Payment	09/12/2023	Ramy Awad, M.D.	(3,784)
Payment	09/12/2023	Pathway Pharmaceuticals, Inc.	(2,639)
Payment	09/12/2023	Peter Jamieson, M.D.	(3,543)
TOTAL			(9,966)
Deposit	09/14/2023		48,747
Payment	09/14/2023	Desert Regional Medical Center	(6,061)
Payment	09/14/2023	Tenet HealthSystem Desert, Inc.	(35,778)
Payment	09/14/2023	Tenet HealthSystem Desert, Inc	(6,908)
TOTAL			(48,747)

**Las Palmas Medical Plaza
Deposit Detail - LPMP
September 2023**

Type	Date	Name	Amount
Deposit	09/14/2023		4,455
Payment	09/14/2023	Global Premier Fertility	(4,455)
TOTAL			(4,455)
Deposit	09/21/2023		3,226
Payment	09/21/2023	Aijaz Hashmi, M.D., Inc.	(3,226)
TOTAL			(3,226)
Deposit	09/26/2023		4,478
Payment	09/26/2023	Quest Diagnostics Incorporated	(4,478)
TOTAL			(4,478)
Deposit	09/28/2023		8,814
Payment	09/28/2023	Steven Gundry, M.D.	(6,113)
Payment	09/28/2023	Desert Oasis Healthcare	(2,701)
TOTAL			(8,814)
		TOTAL	114,051

Desert Healthcare District
Check Register
As of September 30, 2023

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1016 - US Bank Operating - 5018				
Liability Check	09/01/2023		QuickBooks Payroll Service	(334)
Liability Check	09/01/2023		QuickBooks Payroll Service	(60,723)
Bill Pmt -Check	09/01/2023	1852	Conrado Barzaga - Expense Reimbursement	(395)
Bill Pmt -Check	09/01/2023	1853	Jana Trew - Expense Reimbursement	(165)
Bill Pmt -Check	09/01/2023	1854	Regional Access Project Foundation	(5,000)
Bill Pmt -Check	09/01/2023	1855	So.Cal Computer Shop	(810)
Bill Pmt -Check	09/01/2023	1856	TWC Consulting LLC	(6,833)
Bill Pmt -Check	09/01/2023	1857	Visual Edge IT (Image Source)	(293)
Bill Pmt -Check	09/01/2023	1858	Zendle, Les - Stipend	(110)
Bill Pmt -Check	09/05/2023	1859	California Consulting	(4,250)
Bill Pmt -Check	09/05/2023	1860	Evelt PerezGil - Stipend	(441)
Bill Pmt -Check	09/05/2023	1861	OneFuture Coachella Valley - Grant Payment	(68,062)
Bill Pmt -Check	09/05/2023	1862	Pueblo Unido CDC - Grant Payment	(11,250)
Bill Pmt -Check	09/05/2023	1863	Ronnie's House for Hope - Grant Payment	(10,000)
Bill Pmt -Check	09/05/2023	1864	Well in the Desert - Grant Payment	(10,000)
Check	09/07/2023	Auto Pay	Calif. Public Employees' Retirement System	(17,725)
Bill Pmt -Check	09/12/2023	1865	Magdalena Cleaning Services	(200)
Bill Pmt -Check	09/12/2023	1866	Moss, Levy & Hartzheim LLP	(9,500)
Bill Pmt -Check	09/12/2023	1867	State Compensation Insurance Fund	(746)
Bill Pmt -Check	09/12/2023	1868	Xerox Financial Services	(377)
Bill Pmt -Check	09/12/2023	1869	Cathedral City Senior Center	(5,000)
Bill Pmt -Check	09/12/2023	1870	Peak Grantmaking	(2,000)
Bill Pmt -Check	09/12/2023	1871	LoopUp LLC	(24)
Bill Pmt -Check	09/14/2023	1872	Purchase Power	(200)
Liability Check	09/15/2023		QuickBooks Payroll Service	(225)
Liability Check	09/15/2023		QuickBooks Payroll Service	(61,815)
Check	09/15/2023		Bank Service Charge	(769)
Bill Pmt -Check	09/19/2023	1873	Desert Access and Mobility, Inc. - Grant Payment	(10,000)
Bill Pmt -Check	09/19/2023	1874	Desert Charities Publishing, LLC	(2,100)
Bill Pmt -Check	09/19/2023	1875	DPMG Health - Grant Payment	(46,395)
Bill Pmt -Check	09/19/2023	1876	Galilee Center - Grant Payment	(22,500)
Bill Pmt -Check	09/19/2023	1877	Graphtek Interactive	(1,538)
Bill Pmt -Check	09/19/2023	1878	Jana Trew - Expense Reimbursement	(709)
Bill Pmt -Check	09/19/2023	1879	Principal Life Insurance Co.	(2,110)
Bill Pmt -Check	09/19/2023	1880	Regional Access Project Foundation	(538)
Bill Pmt -Check	09/19/2023	1881	U.S. Bank	(2,234)
Bill Pmt -Check	09/19/2023	1882	Voices for Children - Grant Payment	(6,000)

Desert Healthcare District
Check Register
As of September 30, 2023

Type	Date	Num	Name	Amount
Bill Pmt -Check	09/19/2023	1883	Andrea S. Hayles - Expense Reimbursement	(113)
Bill Pmt -Check	09/19/2023	1884	U.S. Bank	(5,243)
Bill Pmt -Check	09/19/2023	1885	Carmina Zavala - Stipend	(445)
Bill Pmt -Check	09/19/2023	1886	Leticia De Lara - Expense Reimbursement	(674)
Bill Pmt -Check	09/19/2023	1887	Will Dean - Expense Reimbursement	(666)
Bill Pmt -Check	09/21/2023	1888	Regional Access Project Foundation	(2,000)
Bill Pmt -Check	09/21/2023	1889	Shred-It	(131)
Bill Pmt -Check	09/21/2023	1890	California Chamber of Commerce	(699)
Bill Pmt -Check	09/21/2023	1891	CoPower Employers' Benefits Alliance	(1,750)
Bill Pmt -Check	09/21/2023	1892	Mangus Accountancy Group, A.P.C.	(500)
Bill Pmt -Check	09/21/2023	1893	State Compensation Insurance Fund	(976)
Paycheck	09/26/2023	1894-VOID	Conrado Barzaga	0
Paycheck	09/26/2023	1895	Conrado Barzaga	(101,796)
Bill Pmt -Check	09/26/2023	1896	Andrea S. Hayles - Expense Reimbursement	(142)
Bill Pmt -Check	09/26/2023	1897	Frazier Pest Control, Inc.	(33)
Bill Pmt -Check	09/26/2023	1898	KUNA-TV Telemundo 15	(6,000)
Bill Pmt -Check	09/26/2023	1899	Locks Around The Clock	(719)
Bill Pmt -Check	09/26/2023	1900	So.Cal Computer Shop	(2,985)
Bill Pmt -Check	09/26/2023	1901	Steven Hollis - Consulting Services	(2,625)
Bill Pmt -Check	09/26/2023	1902	VanSant Studios LLC	(4,500)
Bill Pmt -Check	09/26/2023	1903	Run With Los Muertos	(1,000)
Bill Pmt -Check	09/26/2023	1904	Alejandro Espinoza Santacruz - Expense Reimbursement	(2,421)
Liability Check	09/27/2023		QuickBooks Payroll Service	(112,141)
Bill Pmt -Check	09/28/2023	1905	Coachella Valley Public Safety	(180)
Bill Pmt -Check	09/28/2023	1906	DesertWraps.com	(4,277)
Bill Pmt -Check	09/28/2023	1907	Visual Edge IT (Image Source)	(518)
Liability Check	09/29/2023		QuickBooks Payroll Service	(225)
Liability Check	09/29/2023		QuickBooks Payroll Service	(50,940)
TOTAL				(675,070)

Desert Healthcare District						
Details for Credit Card Expenditures						
Credit card purchases - August 2023 - Paid September 2023						
Number of credit cards held by District personnel -2						
Credit Card Limit - \$25,000 - Conrado, \$20,000 - Chris						
Credit Card Holders:						
Conrado Bárzaga - Chief Executive Officer						
Chris Christensen - Chief Administration Officer						
Routine types of charges:						
Office Supplies, Dues for membership, Computer Supplies, Meals, Travel including airlines and Hotels, Catering, Supplies for BOD meetings, CEO Discretionary for small grant & gift items						
Statement						
Year	Month	Total Charges	Expense Type	Amount	Purpose	Description
		\$ 7,477.14				
Chris' Statement:						
2023	August	\$ 2,233.69	District			
			GL	Dollar		Description
			6360	\$ 98.31		Staples - supplies
			6530	\$ 924.00		Constant Contact annual subscription
			6355	\$ 78.00		Microsoft subscription
			6355	\$ 918.39		Microsoft subscription
			6360	\$ 200.00		Amazon - gift card for summer intern
			6530	\$ 14.99		Desert Sun subscription - marketing
				\$ 2,233.69		
Conrado's Statement:						
2023	August	\$ 5,243.45	District			
			GL	Dollar		Description
			6351	\$ (495.80)		Credit for The Mission Inn - Lodging for IECF Annual Policy Engagment Forum - Riverside, CA - Director De Lara
			6352	\$ 71.15		Stubb's Bar-B-Q - NACHW Annual meeting and Unity Conference - Austin, TX - Conrado Bárzaga
			6351	\$ 34.85		Uber - NACHW Annual meeting and Unity Conference - Austin, TX - Conrado Bárzaga
			6351	\$ 80.00		Palm Springs Airport parking
			6351	\$ 1,086.51		Marriot - Lodging for NACHW Annual meeting and Unity Conference - Austin, TX - August 3-6, 2023 - Conrado Bárzaga
			6351	\$ 280.62		Hyatt Hotels - Lodging for ACHD 71st Annual Meeting - September 12-15, 2023 - Will Dean
			6352	\$ 157.15		Par*FOGO - food for NACHW Annual meeting and Unity Conference - Austin, TX - Conrado Bárzaga
			6352	\$ 223.54		Uptown Gastropub - NACHW Annual meeting and Unity Conference - Austin, TX - Conrado Bárzaga
			5160	\$ 1,990.00		Harvard HKS Online
			6351	\$ 495.80		The Mission Inn - Lodging for IECF Annual Policy Engagment Forum - Riverside, CA - August 8-10, 2023 - Director De Lara
			5230	\$ 1,000.00		ACHD 71st Annual Meeting - Olympic Valley, CA - September 13-15, 2023 - Director Barraza
			6351	\$ 280.62		Hyatt Hotels - Lodging for ACHD 71st Annual Meeting - September 12-15, 2023 - Director Barraza
			6352	\$ 39.01		Johns Restaurant Meeting - Director Zendle & Conrado Bárzaga
				\$ 5,243.45		

**Las Palmas Medical Plaza
Check Register - LPMP
As of September 30, 2023**

Type	Date	Num	Name	Amount
1000 - CHECKING CASH ACCOUNTS				
1044 - Las Palmas Medical Plaza - 1241				
Bill Pmt -Check	09/01/2023	10790	Desert Water Agency	(915)
Bill Pmt -Check	09/05/2023	10791	Coldwell Banker Commercial Lyle & Assoc.	(842)
Bill Pmt -Check	09/05/2023	10792	INPRO Environmental Management Services	(8,950)
Bill Pmt -Check	09/05/2023	10793	Palm Springs Disposal Services Inc	(2,845)
Bill Pmt -Check	09/12/2023	10794	Desert Air Conditioning Inc.	(726)
Bill Pmt -Check	09/12/2023	10795	Southern California Edison	(900)
Bill Pmt -Check	09/12/2023	10796	Stericycle, Inc.	(1,160)
Bill Pmt -Check	09/14/2023	10797	Frazier Pest Control, Inc.	(275)
Bill Pmt -Check	09/14/2023	10798	Stericycle, Inc.	(1,142)
Bill Pmt -Check	09/21/2023	10799	Desert Air Conditioning Inc.	(471)
Bill Pmt -Check	09/21/2023	10800	Frontier Communications	(275)
Check	09/21/2023		Bank Service Charge	(574)
Bill Pmt -Check	09/26/2023	10801	INPRO Environmental Management Services	(56,226)
Bill Pmt -Check	09/28/2023	10802	INPRO Environmental Management Services	(17,185)
TOTAL				(92,486)

Desert Healthcare District
CEO Discretionary Fund Detail
 July through September 2023

Date	Name	Memo	Amount
6325 - CEO Discretionary Fund			
07/01/2023	California Forward	Knowledge level sponsorship for 2023 Economic Summit	5,000
08/04/2023	U.S. Bank	Planned Parenthood contribution to 60th Anniversary Cocktail Reception - September 23, 2023	5,000
08/11/2023	Blood Bank of San Bernardino	2023 Thanks4Giving Gala Table Sponsorship - Saturday November 11, 2023	3,500
08/15/2023	Coachella Valley Volunteers in Medicine	2023 VIMY Awards - Bronze Sponsorship	5,000
08/17/2023	UC Riverside Foundation	UCR SOM 2023 Gala and Education Building II Grand Opening - Silver Sponsorship	10,000
08/30/2023	Regional Access Project Foundation	Desert Fast Pitch 2023 Sponsorship	5,000
09/06/2023	Cathedral City Senior Center	Table Sponsor at November 13, 2023 Gala	5,000
TOTAL			38,500



MEMORANDUM

DATE: October 11, 2023
 TO: F&A Committee
 RE: Retirement Protection Plan (RPP)

Current number of participants in Plan:

	<u>August</u>	<u>September</u>
Active – still employed by hospital	65	65
Vested – no longer employed by hospital	55	53
Former employees receiving annuity	<u>7</u>	<u>7</u>
Total	<u>126</u>	<u>125</u>

The outstanding liability for the RPP is approximately **\$2.9M** (Actives - \$1.5M and Vested - \$1.4M). US Bank investment account balance \$4.5M. Per the June 30, 2023, Actuarial Valuation, the RPP has an Overfunded Pension Asset of approximately **\$1.45M**.

The payouts, excluding monthly annuity payments, made from the Plan for the three (3) months ended September 30, 2023, totaled **\$163K**. Monthly annuity payments (7 participants) total **\$1.0K** per month.

DESERT HEALTHCARE DISTRICT							
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE							
September 30, 2023							
TWELVE MONTHS ENDING JUNE 30, 2024							
Grant ID Nos.	Name	Approved Grants - Prior Yrs	6/30/2023 Bal Fwd	Current Yr 2023-2024	Total Paid Prior Yrs July-June	Total Paid Current Yr July-June	Open BALANCE
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 3,320,000		\$ -		\$ 3,320,000
2022-1301-BOD-01-25-22	UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr. Unexpended funds Grant #1301	\$ 113,514	\$ 11,352		\$ 5,747		\$ 5,605 \$ (5,605)
2022-1311-BOD-04-26-22	Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.	\$ 102,741	\$ 10,275		\$ 10,275		\$ -
2022-1313-BOD-04-26-22	Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities 1 Yr.	\$ 76,790	\$ 7,680		\$ 7,680		\$ -
2022-1314-BOD-05-24-22	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 60,000	\$ 6,000		\$ 6,000		\$ -
2022-1325-BOD-06-28-22	Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs.	\$ 150,000	\$ 82,500		\$ -		\$ 82,500
2022-1327-BOD-06-28-22	Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs.	\$ 50,000	\$ 27,500		\$ -		\$ 27,500
2022-1328-BOD-06-28-22	El Sol - Expanding Access to Educational Resources for Promotoras - 2 Yrs.	\$ 150,000	\$ 82,500		\$ -		\$ 82,500
2022-1331-BOD-06-28-22	Pueblo Unido - Improving Access to Behavioral Health Education and Prevention Services - 2 Yrs.	\$ 50,000	\$ 27,500		\$ 11,250		\$ 16,250
2022-1324-BOD-07-26-22	Galilee Center - Our Lady of Guadalupe Shelter - 2 Yr.	\$ 100,000	\$ 55,000		\$ 22,500		\$ 32,500
2022-1332-BOD-07-26-22	Alianza CV - Expanding and Advancing Outreach Through Increasing Capacity Development - 2 Yrs.	\$ 100,000	\$ 55,000		\$ -		\$ 55,000
2022-1329-BOD-09-27-22	DPMG - Mobile Medical Unit - 3 Yrs.	\$ 500,000	\$ 450,000		\$ 46,395		\$ 403,605
2022-1350-BOD-09-27-22	JFK Memorial Foundation - Behavioral Health Awareness and Education Program - 1 Yr.	\$ 57,541	\$ 5,755		\$ -		\$ 5,755
2022-1355-BOD-09-27-22	Joslyn Center - The Joslyn Wellness Center - 1 Yr.	\$ 85,000	\$ 8,500		\$ -		\$ 8,500
2022-1361-BOD-09-27-22	DAP Health - DAP Health Monkeypox Virus Response - 1 Yr. Unexpended funds Grant #1361	\$ 586,727	\$ 340,654		\$ 7,659		\$ 332,995 \$ (332,995)
2022-1356-BOD-10-25-22	Blood Bank of San Bernardino/Riverside Counties - Coachella Valley Therapeutic Apheresis Program - 1 Yr.	\$ 140,000	\$ 77,000		\$ 63,000		\$ 14,000
2022-1358-BOD-10-25-22	Foundation for Palm Springs Unified School District - School-Based Wellness Center Project - 1 Yr.	\$ 110,000	\$ 60,500		\$ -		\$ 60,500
2022-1362-BOD-10-25-22	Jewish Family Service of the Desert - Mental Health Counseling Services for Underserved - 2 Yrs.	\$ 160,000	\$ 124,000		\$ 36,000		\$ 88,000
2022-1326-BOD-12-20-22	TODEC - TODEC's Equity Program - 2 Yrs.	\$ 100,000	\$ 77,500		\$ -		\$ 77,500
2022-1330-BOD-12-20-22	OneFuture Coachella Valley - Building a Healthcare Workforce Pipeline - 2 Yrs.	\$ 605,000	\$ 468,874		\$ 68,062		\$ 400,813
2022-1369-BOD-12-20-22	ABC Recovery Center - Cost of Caring Fund Project - 1 Yr.	\$ 332,561	\$ 257,735		\$ 74,826		\$ 182,909
2023-1333-BOD-01-24-23	Organizacion en California de Lideres Campesinas - Healthcare Equity for ECV Farmworker Women - 2 Yrs.	\$ 150,000	\$ 116,250		\$ -		\$ 116,250
2023-1363-BOD-01-24-23	Pegasus Riding Academy - Pegasus Equine Assisted Therapy - 1 Yr.	\$ 60,092	\$ 33,052		\$ -		\$ 33,052
2023-1372-BOD-02-28-23	Reynaldo J. Carreon MD Foundation - Dr. Carreon Scholarship Program - 1 Yr.	\$ 50,000	\$ 27,500		\$ -		\$ 27,500
2023-1391-BOD-05-23-23	Lift To Rise - Driving Regional Economic Stability Through Collective Impact - 3 Yrs.	\$ 900,000	\$ 832,500		\$ -		\$ 832,500
2023-1392-BOD-05-23-23	Galilee Center - Galilee Center Extended Shelter - 1 Yr.	\$ 268,342	\$ 207,965		\$ -		\$ 207,965
2023-1393-BOD-06-27-23	DAP Health - DAP Health Expands Access to Healthcare - 1 Yr.	\$ 1,025,778	\$ 1,025,778		\$ 230,800		\$ 794,978
2023-1398-BOD-06-27-23	Desert Healthcare Foundation - Core Operating Support - 1 Yr.	\$ 750,000	\$ 750,000		\$ 750,000		\$ -
2023-BOD-06-27-23	Carry over of remaining Fiscal Year 2022/2023 Funds for Mobile Medical Unit Program	\$ 395,524	\$ 395,524		\$ -		\$ 395,524
2023-1399-Mini-07-06-23	Theresa A. Mike Scholarship Foundation - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1401-Mini-07-07-23	Word of Life Fellowship Center - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1396-Mini-07-25-23	Boys & Girls Club of Coachella Valley - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1389-BOD-07-25-23	Step Up on Second Street - Step Up's ECM/ILOS Programs in the Coachella Valley - 1 Yr.			\$ 64,401		\$ 28,980	\$ 35,421
2023-1394-BOD-07-25-23	CSU San Bernardino Palm Desert Campus Nursing Street Medicine Program - 1 Yr.			\$ 73,422		\$ 33,040	\$ 40,382
2023-1397-Mini-08-23-23	Well In The Desert - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1402-Mini-09-05-23	Ronnie's House for Hope - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1414-Mini-09-14-23	Desert Access and Mobility, Inc. - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1400-BOD-09-26-23	Desert Arc - Desert Arc Health Care Program - 1 Yr.			\$ 291,271		\$ 65,536	\$ 225,735
2023-1404-BOD-09-26-23	Martha's Village and Kitchen - Homeless Housing and Wrap-Around Services Expansion - 2 Yrs.			\$ 369,730		\$ -	\$ 369,730
2023-1405-BOD-09-26-23	Variety Children's Charities of the Desert - Expansion of Core Programs and Services - 1Yr.			\$ 120,852		\$ 54,383	\$ 66,469
TOTAL GRANTS		\$ 17,229,610	\$ 8,944,395	\$ 979,676	\$ 1,340,194	\$ 241,939	\$ 8,003,337
Amts available/remaining for Grant/Programs - FY 2023-24:							
Amount budgeted 2023-2024			\$ 4,000,000			G/L Balance:	9/30/2023
Amount granted YTD:			\$ (979,676)			2131	\$ 5,528,337
Financial Audits of Non-Profits: Organizational Assessments			\$ -			2281	\$ 2,475,000
Net adj - Grants not used: 1361; 1301			\$ 338,600				
Matching external grant contributions			\$ -				
Balance available for Grants/Programs			\$ 3,358,924			Total	\$ 8,003,338
							\$ (0)



Chief Administration Officer's Report

October 11, 2023

Las Palmas Medical Plaza - Property Management:

Occupancy:

See attached unit rental status report.

92.3% currently occupied –

Total annual rent including CAM fees is **\$1,405,249**.

Leasing Activity:

3 suites (1E-204, 1W-104, & 2W-103/104) are now vacant and available for lease. Rob Wenthold, our broker, will be showing the suites to prospective tenants.

Las Palmas Medical Plaza

Unit Rental Status

As of October 1, 2023

Unit	Tenant Name	Deposit	Lease Dates		Term	Unit Sq Feet	Percent of Total	Monthly Rent	Annual Rent	Rent Per Sq Foot	Monthly	Total Monthly Rent Inclg CAM	Total Annual Rent Inclg CAM
			From	To							CAM		
											\$ 0.80		
1E, 204	Vacant					880	1.78%						
1W, 104	Vacant					1,024	2.07%						
2W, 103-104	Vacant					1,878	3.81%						
Total - Vacancies						3,782	7.66%						
Total Suites - 32 - 29 Suites Occupied		\$57,492.84				49,356	92.3%	\$ 80,648.09	\$ 967,777.08	\$ 1.77	\$ 36,456.00	\$ 117,104.09	\$ 1,405,249.08
Summary - All Units													
			Occupied	45,574	92.3%								
			Vacant	3,782	7.7%								
			Pending	0	0.0%								
			Total	49,356	100%								



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: October 24, 2023
To: Board of Directors
Subject: CV Strategies Engagement Letter

Background:

The District has engaged the services of CV Strategies over the years to assist with executing external communications with stakeholders, the media, and the community.

Staff Recommendation:

- CV Strategies is engaged to assist the District with further developing our messaging by informing and educating the public and stakeholders about current communications and outreach efforts.
- CV Strategies engagement includes:
 - i. Messaging strategies
 - ii. Advancing the District's stakeholder and influencer engagement efforts through strategic communications planning and use of multiple media outlets
 - iii. Draft communication documents to enhance engagement and public outreach
 - iv. Support staff in outreach meeting preparation and facilitation
 - v. Develop collateral, electronic content and other resources for public and customer distribution
 - vi. Prepare, facilitate and track press releases, news conferences and other media interaction
 - vii. Identify and enhance strategic community partnerships
 - viii. Enhance District website messaging through various multimedia efforts
 - ix. Assist the Interim CEO and Director of Marketing and Communications as needed

Fiscal Impact:

NTE \$25,000

Date:

September 29, 2023

Client:

Jeffrey Scott, Esq.
Law Offices of Jeffrey Scott
16935 W Bernardo Dr # 170
San Diego, CA 92127

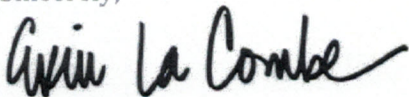
Dear Jeffrey:

Thank you for considering CV Strategies to support the Desert Healthcare District in its communication and outreach efforts. Please accept this letter as a request for engagement to provide informational content, strategy and facilitation to the Desert Healthcare District, assisting the District's efforts to inform and educate stakeholders about current issues.

CV Strategies understands this engagement to include the following communications support:

- Provide messaging strategies generally associated with communication and outreach services
- Advance District's stakeholder and influencer engagement efforts through strategic communications planning and use of multiple media vehicles
- Draft communication documents to enhance engagement and public outreach
- Support staff in outreach meeting preparation and facilitation
- Develop collateral, electronic content and other resources for public and customer distribution
- Prepare, facilitate and track press releases, news conferences and other media interaction
- Identify and enhance strategic community partnerships
- Enhance Desert Healthcare District website messaging through various multimedia efforts
- Create additional digital content for online distribution
- Align District communication efforts on all topics with transparency and compliance commitments
- Assist District spokespeople as needed

Sincerely,



Erin LaCombe
President

..... Rates for Communication Services

- » President - \$275/hour
- » C-Suite Executives - \$225/hour
- » Directors - \$200
- » Account Manager/Specialist - \$185/hour
- » Design/Video/Photography/Web - \$165/hour
- » Translator - \$125/hour
- » Support Staff - \$100/hour

..... Terms & Compensation

It is mutually understood that this initial engagement shall not exceed \$25,000 for Professional Services, without prior discussion and approval by the client.

Either party may end this agreement by providing written notice to the other party. In the event of termination, CV Strategies shall be paid for all hours and expenses accrued up to the date of termination.

Hard costs incurred by CV Strategies will be billed to the client with a nominal service charge of 10% (not to exceed \$250 per item). This includes all anticipated hard costs such as printing, mailing, photography, video, advertising, etc. Required travel mileage will be billed at the published IRS rate.

All services and hard costs will be billed monthly. Invoices should be paid in full upon receipt.

..... Agreed & Approved

Chris Christen

Chris Christen

Name

Signature

Interim CEO

10/1/23

Title

Date



Date: October 24, 2023

To: Board of Directors

Subject: Desert Healthcare District and Foundation as presenting sponsor of the 2024 Palm Springs Health Run and Wellness Festival

Staff Recommendation: Consideration to approve a \$35,000 sponsorship for the Desert Healthcare District and Foundation to be the presenting sponsor for the annual Palm Springs Health Run and Wellness Festival.

Background:

- The District and Foundation continues its celebratory recognition of 75 years of advancing community wellness in the Coachella Valley. It began with the release party of the District and Foundation’s history book in May 2023 and will continue in 2024. The next proposed event is as a sponsor of an established, well-known, community-focused Palm Springs Health Run and Wellness Festival.
- As the presenting festival sponsor, the District and Foundation would be prominently promoted and positioned at the festival, which will be produced by Hocker Productions. The annual event is attended by community partners and hundreds of local residents of all ages and backgrounds. It includes a 10K and 5K run (or walk), informational booths, programming from the stage, food and drink, and more for participants.
- The presenting sponsorship level would allow the District and Foundation to have a large booth/exhibit space that would include the mobile medical clinics to provide screenings and/or services (if available). It also includes frequent mentions in event marketing and the opportunity to provide programming.
- The festival is scheduled for January 27, 2024, at Ruth Hardy Park in Palm Springs.
- At the October 11, 2023, Finance & Administrative Committee meeting, the Committee recommended forwarding the sponsorship for consideration of approval by the full Board.
- Staff recommends approval of a \$35,000 presenting sponsorship for the Palm Springs Health Run and Wellness Festival.

Fiscal Impact:

\$35,000 Presenting Sponsorship as part of the marketing budget.



**Desert Healthcare District & Foundation as Presenting Sponsor
Promotional Value for Palm Springs Health Run & Wellness Festival January 27, 2024**

Pre-Event:

- 75th Anniversary tagline and description to be incorporated in all signage and branding
- DHCD/F Branded event logo DHCD/F as **Presenting Sponsor** on 2 Lamar Outdoor digital billboards (Dinah Shore at Bob Hope and at Date Palm & Hwy. 111) (Value \$5,000)
- DHCD/F mention and logo in 70 KESQ News Channel 3 (: 30 spots) (Value \$5,000)
- DHCD/F mentioned in 150 radio ads on Alpha Media (KNEWS 94.3 FM, ESPN 103.9 FM, 103.9 FM) (Value \$3,200)
- DHCD/F mentioned in 125 radio ads on Marker Broadcasting (Value \$2,700)
- DHCD/F Branded event logo on sizzle reel marketed on social media (Value \$1,500)
- Mentions in all Radio & TV interviews as the **Presenting Sponsor** (Value \$1,500)
- Name/Logo featured as sponsor in all Desert Sun print/digital advertising and all other print/digital media (Value \$1,500)
- DHCD/F Logos link on website for one year (Value \$1,500)
- Mentions in all press releases (Value \$1,000)
- DHCD/F Branded event logo in The Guide, Palm Springs Life ad (Value \$1,000)
- DHCD/F Branded event logo on Visit Palm Springs/PSDRCA (Dec./Jan.) (Value \$1,000)
- DHCD/F Branded event logo in LA Yoga Sponsor Ad (Dec./Jan.) (Value \$750)
- DHCD/F Branded event logo in Better Nutrition Sponsor Ad (Dec./Jan.) (Value \$750)
- DHCD/F Branded event logo in Desert Health Ads (Dec./Jan.) (Value \$600)
- DHCD/F Branded event logo in Desert Charities News Ads (Sept./Jan.) (Value \$500)

Onsite:

- DHCD/F Logo on Stage Back-Drop and on all event signage (Value \$2,500)
- DHCD/F Logo on LGBT Stage Back-Drop (Value \$2,500)
- 20x20 hard canopy booth at the event w/table & chairs (Value \$2,200)
- DHCD/F speaker or physician 8-10 minute presentation main stage (Value \$1,000)
- Twenty (20) race registrations (Value \$900)
- Logo on 800 T-shirts (Value \$700)
- Logo on 800 Registration Bags (Value \$700)

Honoree Luncheon:

- Honoree Luncheon Sponsor (: 60 Second Video) (Value \$1,500)
- Speaker Opportunity at Luncheon (Value \$900)
- Six (6) luncheon tickets (Value \$180)

Total Value & ROI **\$40,580.00**

DHCD/F Presenting Sponsorship **\$35,000.00**



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: October 24, 2023
To: Board of Directors
Subject: Moss Levy & Hartzheim – FY2023 Audit Reports – District & RPP

Staff Recommendation: Consideration to approve the FY2023 Audit reports for the Desert Healthcare District and the Retirement Protection Plan (RPP).

Background:

- Moss Levy & Hartzheim, LLP performed the audits of the District, Retirement Protection Plan, & Foundation.
- During the fiscal year, the Foundation continued to receive federal funding via Riverside County and other sources.
- The A-133 single audit is due March 31, 2024, and will be completed separately.
- All audit reports will be presented during the District committee meeting. However, the Foundation report will be approved during the Foundation’s committee meeting.
- Craig Hartzheim, CPA, will present the following reports for your review and consideration for approval:
 1. Management Report and Auditor’s Communication Letter
 2. District Audit Report
 3. Retirement Protection Plan (RPP) Audit Report
 4. Desert Healthcare Foundation Audit Report (Information only). To be approved during the Foundation’s F&A Committee meeting)
- The District Retirement Protection Plan and Foundation audits received unmodified opinions with no findings.
- At the October 11, 2023, Finance & Administrative Committee meeting, the Committee recommended forwarding the reports for consideration of approval by the full Board.
- Staff recommends approval of the FY2023 Audit Reports for the District and Retirement Protection Plan.

Fiscal Impact:

None

**DESERT HEALTHCARE DISTRICT,
DESERT HEALTHCARE FOUNDATION, AND
DESERT HOSPITAL RETIREMENT PLAN**

**MANAGEMENT REPORT
AND
AUDITOR'S COMMUNICATION LETTER**

JUNE 30, 2023

**DESERT HEALTHCARE DISTRICT,
DESERT HEALTHCARE FOUNDATION, AND
DESERT HOSPITAL RETIREMENT PLAN**

JUNE 30, 2023

TABLE OF CONTENTS

Management/Transmittal Letter	1
Required Communication in Accordance with Statement on Auditing Standards No. 114.....	2
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	4
Current Year Recommendation	6
Status of Prior Year Recommendation	7



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

8383 WILSHIRE BLVD., SUITE 800
BEVERLY HILLS, CA 90210
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

To the Honorable Board of Directors, of the Desert Healthcare District,
Desert Healthcare Foundation, and Desert Hospital Retirement Plan (the entities)
Palm Springs, California

In planning and performing our audit of the financial statements of the Desert Healthcare District, Desert Healthcare Foundation, and Desert Hospital Retirement Plan (the entities), as of and for the fiscal year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the entities' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entities' internal control. Accordingly, we do not express an opinion on the effectiveness of the entities' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we noted no matters involving internal controls and their operations that are required to be reported under Government Auditing Standards, except for a potential of inadequate segregation of duties due to the small staff of the entities. This appears to be mitigated by the strong oversight of the Board of Directors in the operations of the entities.

We have included in this letter a summary of communications with the members of the Board of Directors as required by professional auditing standards. We would like to thank the entities' management and staff for the courtesy and cooperation extended to us during the course of our engagement.

The accompanying communications and recommendations are intended solely for the information and use of management, the members of the Board of Directors, and others within the entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
October 6, 2023



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES
8383 WILSHIRE BLVD., SUITE 800
BEVERLY HILLS, CA 90210
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES
5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

To the Honorable Board of Directors, of the Desert Healthcare District,
Desert Healthcare Foundation, and Desert Hospital Retirement Plan (the entities)
Palm Springs, California

We have audited the financial statements of the Desert Healthcare District, Desert Healthcare Foundation, and Desert Hospital Retirement Plan (the entities) for the fiscal year ended June 30, 2023, and have issued our reports thereon dated September 8, 2023 and October 6, 2023. Professional standards require that we provide you with the information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated May 22, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the entities are described in Note 1 to the financial statements. The District implemented GASB Statement No. 87 “Leases” during the fiscal year. We noted no transactions entered into by the entities during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

The estimated historical cost and useful lives of certain capital assets, the net fair market value of the charitable remainder trusts, the funding progress of the District’s RPP plan and OPEB plan, and the estimate of an allowance for uncollectable receivables. Management’s estimates of the estimated historical cost and useful lives of certain capital assets are based on historical data and industry guidelines, while the funding progress of the RPP plan and OPEB plan, and are based on consultants’ estimates. The amount of estimated allowance for uncollectable receivables is based on historical data. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The estimates for the Defined Benefit Pension Plan are in the notes to the financial statements.
The estimates for the OPEB Plan are in the footnotes to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The District booked an adjusting journal entry to record their leases as lessee and lessor in accordance with GASB Statement No. 87, which was considered material. The amounts were \$175,612 and \$3,048,911, respectively.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 6, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entities' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

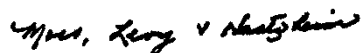
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entities' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the members of the Board of Directors and management of the entities and is not intended to be and should not be used by anyone other than these specified parties.



Moss, Levy & Hartzheim, LLP
Culver City, California
October 6, 2023



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

8383 WILSHIRE BLVD., SUITE E
BEVERLY HILLS, CA 90210
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

To the Honorable Board of Directors, of the Desert Healthcare District,
Desert Healthcare Foundation, and Desert Hospital Retirement Plan (the entities)
Palm Springs, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Desert Healthcare District, Desert Healthcare Foundation, and Desert Hospital Retirement Plan (the entities), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the entities' basic financial statements, and have issued our reports thereon dated September 8, 2023 and October 6, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entities' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entities' internal control. Accordingly, we do not express an opinion on the effectiveness of the entities' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entities' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entities internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entities' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, California
October 6, 2023

CURRENT YEAR RECOMMENDATIONS

Other Matters

None

STATUS OF PRIOR YEAR RECOMMENDATION

None

DESERT HEALTHCARE DISTRICT
PALM SPRINGS, CALIFORNIA
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
JUNE 30, 2023

DESERT HEALTHCARE DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report	1
Management's Discussion and Analysis (Required Supplementary Information)	4
Basic Financial Statements:	
Business-type Activities:	
Statement of Net Position	9
Statement of Revenues, Expenses, and Changes in Net Position	10
Statement of Cash Flows	11
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	13
Statement of Changes in Fiduciary Net Position.....	14
Notes to Financial Statements	15
Required Supplementary Information:	
Schedule of Changes in Net Pension (Asset) Liabilities and Related Ratios	36
Schedule of Changes in Net OPEB Liability and Related Ratios	38



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

8383 Wilshire Blvd Suite 800
BEVERLY HILLS, CA 90211
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Directors
of the Desert Healthcare District
Palm Springs, California

Report on Financial Statements

Opinion

We have audited the financial statements of the business type activities and the fiduciary fund financial statements of the Desert Healthcare District (District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the business type activities and the fiduciary fund financial statements of the the District as of June 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
 - Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
 - Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

For the fiscal year ending June 30, 2023, the District has implemented Government Accounting Standards Board Statement No. 96, *Subscription-based Information Technology Arrangements*. The change has no material impact on financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Changes in the Net Pension Liability (Asset) and Related Ratios and the Schedule of Changes in Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Report on Comparative Information

The District's financial statements as of and for the fiscal year ended June 30, 2022, were audited by other auditors. They expressed an unmodified opinion on those audited financial statements in their report dated November 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
October 6, 2023

DESERT HEALTHCARE DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 2023 AND 2022

The Desert Healthcare District (“District”) has issued its financial statements for the fiscal years ended June 30, 2023, and June 30, 2022, in conformity with the format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34). This report, Management’s Discussion and Analysis, is an overview of the financial activities for the fiscal years and is an integral part of the accompanying Basic Financial Statements.

ACCOUNTING METHOD

The District’s revenues and expenses are recognized on a full accrual basis; revenues are recognized in the period incurred. All assets and liabilities associated with the activity of the District are included on the Statement of Net Position.

THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements reflect the activities of two funds. The Financial Statements include the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position (Income Statement) and Statement of Cash Flows, and the Trust Fund, which is the Desert Healthcare Foundation’s Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. Together with this report, these Financial Statements provide information about the significant events, assumptions and decisions which resulted in the financial performance reflected in those statements.

The Statement of Net Position provides information regarding the financial position of the District, including its capital assets and long-term debt.

The Statement of Revenues, Expenses, and Changes in Net Position (Income Statement) provides information regarding the revenues received by the District, and the expenses incurred in carrying out the District’s programs.

The Statement of Cash Flows provides information regarding the sources and uses of the cash which flowed into and out of the District as a result of its operations and financing decisions.

FINANCIAL ACTIVITIES & FISCAL YEAR 2023 HIGHLIGHTS

Desert Healthcare District is a government entity operating under the Local Health Care District Law. The District was created by the state of California in 1948 for the purpose of providing hospital services to the residents of the District. The District was responsible for building Desert Hospital, now known as Desert Regional Medical Center. In 1997, the Board of Directors voted to lease the hospital to Tenet Health System Desert, Inc. for 30 years. Since 1997, the District has provided funding and access to programs and services to residents of the healthcare district. By a vote of the public in November 2018, the District boundaries expanded to include the entire Coachella Valley, more than doubling its population and service area. The Board of Directors was increased from 5 to 7 members.

DESERT HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 2023 AND 2022

The Statement of Net Position

A condensed version of the Statements of Net Position is presented in Table A below and the changes which occurred between Fiscal Year 2023 and 2022.

	<u>Table A</u>		
Assets:	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Change</u>
Cash and cash equivalents	\$ 4,351,293	\$ 9,116,884	\$ (4,765,591)
Investments	63,214,530	56,557,955	6,656,575
Lease receivables	3,048,911	-	3,048,911
Capital assets, net	11,108,118	11,518,194	(410,076)
Net Pension Asset	1,457,140	1,009,246	447,894
All Other Assets	558,178	366,284	191,894
Total Assets	<u>\$ 83,738,170</u>	<u>\$ 78,568,563</u>	<u>\$ 5,169,607</u>
Deferred Outflows:			
GASB 68 Reporting for Pension Plans	\$ 587,440	\$ 836,699	\$ (249,259)
Total Deferred Outflows	<u>\$ 587,440</u>	<u>\$ 836,699</u>	<u>\$ (249,259)</u>
Liabilities:			
Grants payable	\$ 8,944,394	\$ 10,552,067	\$ (1,607,673)
All Other Liabilities	813,430	601,933	211,497
Total Liabilities	<u>\$ 9,757,824</u>	<u>\$ 11,154,000</u>	<u>\$ (1,396,176)</u>
Deferred Inflows:			
GASB 68 Reporting for Pension Plans	\$ 564,584	\$ 492,802	\$ 71,782
Leases	2,982,703	-	2,982,703
Total Deferred Inflows	<u>\$ 3,547,287</u>	<u>\$ 492,802</u>	<u>\$ 3,054,485</u>
Net Assets:			
Net investment in capital assets	11,105,377	11,518,194	\$ (412,817)
Restricted for pension	1,479,996	1,353,143	126,853
Unrestricted	58,435,126	54,887,123	3,548,003
Total Net Position	<u>\$ 71,020,499</u>	<u>\$ 67,758,460</u>	<u>\$ 3,262,039</u>

The \$3,262,039 increase in Total Net Position is due to the net income of \$3,238,989 for the current fiscal year ended June 30, 2023, and a prior year adjustment of \$23,050*. This compares to net income of \$349,532 for the fiscal year ended June 30, 2022. The increase is primarily due to a net combination of a \$1,153,776 increase in Property Tax Revenue, and \$2,088,757 increase in Investment Revenue. The \$4,765,591 decrease in cash and cash equivalents, and \$6,656,575 increase in Investments is due primarily to an increase in property tax receipts, increase in investment purchases, and increase in annual disbursements. The \$3,048,911 increase in Lease Receivables, and \$2,982,703 increase in Deferred Inflows from leases are due to changes in how leases are recognized in compliance with GASB 87. The \$447,894 increase in Net Pension Assets, \$249,259 decrease in Deferred Outflows, and \$71,782 of the increase in Deferred Inflows are due to the current GASB 68 valuation report for the Retirement Protection Plan. The \$191,600 increase in All Other Assets is due primarily to the addition of Right of Use Assets. The \$1,607,673 decrease in Grants Payable is due primarily to more grant disbursements than new accrued grants. The \$211,497 increase in All Other Liabilities is due primarily to the acknowledgement of the liability for the added Right of Use Assets.

* This prior year adjustment was applied to net position to comply with how leases are accounted for under GASB 87. With this change comes adjustments to how lease revenue is classified, moving it into the nonoperating category. Lease receivables, lease payables, Deferred Inflows from Leases, and Right of Use Assets have all been added to the financial statements to document the respective assets and liabilities.

DESERT HEALTHCARE DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 2023 AND 2022

The Statements of Revenues, Expenses, and Change in Net Position

The District’s business is comprised of two major segments:

- Revenues – The District receives from the County of Riverside an apportionment of the property taxes paid by the residents of the District. Additional revenues include the investment income the District receives from the Facility Replacement Fund (Reserve), which was established to provide working capital in the event that the lease with Tenet Health System Desert, Inc. is terminated prematurely or for future seismic retrofit needs, and rental income from the Las Palmas Medical Plaza which is owned and managed by the District.
- Grant Program – The District administers grant and preventative health initiative programs that donate a significant portion of the District’s annual property tax revenues to health-related programs serving residents of Desert Hot Springs, Thousand Palms, Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Thermal, Mecca, North Shore, and the unincorporated areas of the County that are within the District’s boundaries.

Table B, below, is a condensed version of the Statements of Revenues, Expenses, and Changes in Net Position; it summarizes the District’s revenue and expenses, and compares Fiscal Year 2023 results to Fiscal Year 2022.

	<u>6/30/23</u>	<u>6/30/22</u>	<u>Change</u>
Revenue:			
Property Tax Revenue	\$ 9,624,970	\$ 8,471,194	\$ 1,153,776
All other income	10,184	232,189	(222,005)
Total Revenue	<u>\$ 9,635,154</u>	<u>\$ 8,703,383</u>	<u>\$ 931,771</u>
Expenses:			
Grants program	\$ 4,000,000	\$ 4,024,467	\$ (24,467)
Administrative Expense	3,732,100	2,460,813	1,271,287
Total Expense	<u>\$ 7,732,100</u>	<u>\$ 6,485,280</u>	<u>\$ 1,246,820</u>
Nonoperating Income(Expenses):			
Rental income, net of expenses	\$ 870,051	\$ 232,564	\$ 637,487
All other nonoperating income	465,884	(2,101,135)	2,567,019
Total Nonoperating	<u>\$ 1,335,935</u>	<u>\$ (1,868,571)</u>	<u>\$ 3,204,506</u>
Net Income (Loss)	<u>\$ 3,238,989</u>	<u>\$ 349,532</u>	<u>\$ 2,889,457</u>

DESERT HEALTHCARE DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 2023 AND 2022

Revenue

Property taxes are the District’s primary source of operating revenues. The property tax revenue for the fiscal year ended June 30, 2023, was \$9,624,970, which was an increase of \$1,153,776 from the fiscal year ended June 30, 2022.

All other income for the fiscal year ended June 30, 2023, decreased \$222,005, compared to the fiscal year ended June 30, 2022. The decrease was due primarily to a \$174,707 decrease in miscellaneous income, a \$24,466 decrease in Grant Income, and other changes related to the recognition of income from a cell tower lease (now nonoperating), compared to the fiscal year ended June 30, 2022.

Expenses

Grant Program expenses for the fiscal year ended June 30, 2023, decreased by \$24,467 compared to the fiscal year ended June 30, 2022. This is due primarily to the conclusion of the CalFresh grant program during the fiscal year ended June 30, 2022. Grants are recorded in the fiscal year that they are approved by the District’s Board of Directors.

Administrative expenses for the fiscal year ended June 30, 2023, increased \$1,271,287 from the fiscal year ended June 30, 2022. This net increase is due to a \$255,133 increase in general expenses, \$207,993 increase in salary and benefits, \$33,033 increase in legal expenses, \$548,345 increase in depreciation primarily from the addition of the mobile medical unit, \$129,577 increase in other, \$97,206 increase in election fees.

Nonoperating Income (Expenses) for the fiscal year ended June 30, 2023, varies by \$3,204,506 from fiscal year ended June 30, 2022. The variance is due to a \$2,088,757 increase in investment income, addition of \$637,487 net income from the Las Palmas Medical Plaza, a \$459,398 increase in the Retirement plan, and a \$18,864 decrease in investment expenses.

CAPITAL ASSETS

At June 30, 2023, the District had \$23,979,572 in capital assets and \$12,871,454 in accumulated depreciation, resulting in \$11,108,118 net capital assets. At June 30, 2022, the District had \$23,673,763 in capital assets and \$12,155,569 accumulated depreciation, resulting in \$11,518,194 net capital assets.

A summary of the activity and balances in capital assets is presented in Table C:

Table C

	Balance 6/30/21	Net Additions	Net Retirements	Balance 6/30/22	Net Additions	Net Retirements	Balance 6/30/23
Cost	\$ 22,949,667	\$ 1,288,054	\$ (563,959)	\$ 23,673,763	\$ 309,196	\$ (3,387)	\$ 23,979,572
Acc. Depreciation	(11,495,098)	(675,678)	15,208	(12,155,569)	(719,272)	3,387	(12,871,454)
Capital Assets, Net	\$ 11,454,569	\$ 612,376	\$ (548,751)	\$ 11,518,194	\$ (410,076)	\$ -	\$ 11,108,118

DESERT HEALTHCARE DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 2023 AND 2022

DEBT ADMINISTRATION

The District has no outstanding debt.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

In November 2018, the residents of the Eastern Coachella Valley voted to expand the Desert Healthcare District to all cities and unincorporated areas of the Coachella Valley. The expansion more than doubled the population and service area. However, the expansion did not include a funding source. The Desert Healthcare District and Foundation continue to seek resources in its efforts to equitably connect District residents to programs and services to meet their healthcare needs.

The Fiscal Year 2024 budgets for the District and the Foundation reflect revenues of \$10,293,680 and \$2,471,000, respectively, and operating expenses of \$9,536,554 and \$3,591,036, respectively. Capital expenditures are budgeted at \$350,000. During the fiscal year ended June 30, 2023, the District and Foundation awarded \$6,566,566, and \$2,343,776, respectively, in new grants and distributed grants in the amount of \$3,607,672 and \$1,859,816, respectively. Projected new grants to be awarded for the fiscal year 2023–2024 amount to \$4,000,000, and \$2,704,000, respectively, and distributions for grants could possibly total \$12,943,887 and \$7,305,783, respectively, due to the existing grant liability as of June 30, 2023, and the projected grant awards.

As a result of the COVID-19 pandemic, the Foundation continues to work with a select group of community-based organizations to aid in the education, testing and vaccination efforts related to the virus. Through the County of Riverside, federal funds from the CARES Act and Epidemiology and Laboratory Capacity (ELC) Enhancing Detection awarded funding totals \$4,415,967 to date.

The District has established a reserve fund of approximately \$65,000,000 to cover grant liabilities, hospital operating expenses for a short period should the lease with Tenet Health System Desert, Inc. terminate prior to May 30, 2027, and seismic or other related facilities costs.

The Hospital is required to meet SB 1953 and OSHPD regulations for seismic retrofit standards by 2030. The District conducted an assessment of the seismic retrofit needs and costs, with an estimate of \$222,000,000, and is reviewing options for completion of the seismic upgrades.

Termination Assets are assets constructed or installed by Tenet Health System in the hospital during the lease period with a net book value or fair market value at the termination of the lease. In accordance with the 1997 Lease, the District is required to purchase the Termination Assets at the lesser of net book value or fair market value. The 1997 Lease provides that the purchase can be satisfied with a 5-year promissory note and also provides the option of a possible extension of the lease if the Termination Assets exceed \$10,000,000.

CONTACTING THE DISTRICT’S MANAGEMENT

Desert Healthcare District
1140 N. Indian Canyon Drive
Palm Springs, CA 92262
(760) 323-6113 Office
(760) 323-6825 Fax
www.dhcd.org Website

DESERT HEALTHCARE DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2023

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,351,293	\$ 9,116,884
Investments	7,355,380	12,984,830
Accounts receivable - net	195,891	253,350
Prepaid items and deposits	168,230	112,934
Total current assets	<u>12,070,794</u>	<u>22,467,998</u>
NON-CURRENT ASSETS		
Investments	55,859,150	43,573,125
Lease receivables	3,048,911	
Capital assets, net	11,108,118	11,518,194
Right to use assets, net	194,057	
Net pension asset	1,457,140	1,009,246
Total non-current assets	<u>71,667,376</u>	<u>56,100,565</u>
DEFERRED OUTFLOWS		
Deferred Outflows of Resources:		
Pension plans	587,440	836,699
Total deferred outflows of resources	<u>587,440</u>	<u>836,699</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>84,325,610</u>	<u>79,405,262</u>
CURRENT LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	429,398	441,775
Grants payable	6,469,394	7,032,067
Compensated absences	97,596	80,168
Disability claims, reserve, current portion		14,803
Lease payable, current portion	21,186	
Total current liabilities	<u>7,017,574</u>	<u>7,568,813</u>
NON-CURRENT LIABILITIES		
Grants payable	2,475,000	3,520,000
Long-term disability claims reserve		2,982
Lease payable	175,612	
Deposits payable	89,638	62,205
Total non-current liabilities	<u>2,740,250</u>	<u>3,585,187</u>
DEFERRED INFLOWS		
Deferred Inflows of Resources:		
Pension plans	564,584	492,802
Leases	2,982,703	
Total deferred inflows of resources	<u>3,547,287</u>	<u>492,802</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>13,305,111</u>	<u>11,646,802</u>
NET POSITION		
Net investment in capital assets	11,105,377	11,518,194
Restricted for pension	1,479,996	1,353,143
Unrestricted	58,435,126	54,887,123
TOTAL NET POSITION	<u>\$ 71,020,499</u>	<u>\$ 67,758,460</u>

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Property taxes	\$ 9,624,970	\$ 8,471,194
Other income	10,184	232,189
Total revenues	<u>9,635,154</u>	<u>8,703,383</u>
OPERATING EXPENSES		
Grant allocations	4,000,000	4,024,467
General expenses	1,030,083	774,950
Salaries and benefits	1,369,696	1,161,703
Legal fees	120,798	87,765
Depreciation and amortization	741,450	193,105
Other	372,867	243,290
Election fees	97,206	
Total expenditures	<u>7,732,100</u>	<u>6,485,280</u>
Income (loss) from operations	<u>1,903,054</u>	<u>2,218,103</u>
NONOPERATING INCOME (EXPENSES)		
Investment income (loss)	347,590	(1,741,167)
Rental income, net of expenses	870,051	232,564
Retirement plan/benefits change	186,853	(272,545)
Investment expenses	(68,559)	(87,423)
Total nonoperating income (loss)	<u>1,335,935</u>	<u>(1,868,571)</u>
Increase (decrease) in net position	<u>3,238,989</u>	<u>349,532</u>
NET POSITION		
Beginning of fiscal year	67,758,460	67,408,928
Prior period adjustments	23,050	
Net position at beginning of fiscal year, restated	<u>67,781,510</u>	<u>67,408,928</u>
End of fiscal year	<u>\$ 71,020,499</u>	<u>\$ 67,758,460</u>

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE DISTRICT

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from County	\$ 9,624,970	\$ 8,452,887
Cash received from Grantors		209,733
Cash payments to suppliers for goods and services	(1,662,630)	(414,321)
Cash payments to employees for services and benefits	(1,367,071)	(1,171,055)
Cash payments to grantees	(5,607,673)	(2,974,026)
Other operating revenues	67,643	71,249
Net cash provided by operating activities	<u>1,055,239</u>	<u>4,174,467</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(309,196)	(739,303)
Lease related expenses	(24,000)	
Net cash provided (used) by capital and related financing activities	<u>(333,196)</u>	<u>(739,303)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	248,235	
Rental income, net	862,252	232,564
Net investment sales (purchases)	(6,598,121)	(4,744,422)
Net cash provided (used) by investing activities	<u>(5,487,634)</u>	<u>(4,511,858)</u>
Net decrease in cash	(4,765,591)	(1,076,694)
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>9,116,884</u>	<u>10,193,578</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 4,351,293</u>	<u>\$ 9,116,884</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and cash equivalents	<u>\$ 4,351,293</u>	<u>\$ 9,116,884</u>

(Continued)

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE DISTRICT

STATEMENT OF CASH FLOWS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2023</u>	<u>2022</u>
Income from operations	\$ 1,903,054	\$ 2,218,103
Adjustments to reconciliation of income from operations to net cash provided by operating activities:		
Depreciation and amortization	741,450	675,678
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Accounts receivable	57,459	90,398
Prepaid items and deposits	(55,296)	(32,181)
Accounts payable and accrued liabilities	(13,813)	178,450
Grants payable	(1,607,673)	1,050,441
Deposits payable	27,433	9,685
Compensated absences	17,428	(2,807)
Long-term disability claims reserve	(14,803)	(13,300)
Net cash provided by operating activities	<u>\$ 1,055,239</u>	<u>\$ 4,174,467</u>

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
DESERT HEALTHCARE FOUNDATION
JUNE 30, 2023
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022

	Private- Purpose Trust Fund	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 479,488	\$ 516,636
Grants receivable	183,530	2,217,209
Prepaid items	6,747	3,000
Accrued interest and dividend receivable	14,345	
	684,110	2,736,845
OTHER ASSETS		
Contributions receivable - charitable remainder trusts	196,140	188,389
Investments	4,429,454	4,181,156
	4,625,594	4,369,545
TOTAL ASSETS	5,309,704	7,106,390
LIABILITIES		
Current liabilities:		
Accounts payable	21,965	12,973
Grants payable - current portion	1,741,281	795,028
	1,763,246	808,001
Long-term liabilities:		
Grants payable - long-term		200,000
		200,000
	1,763,246	1,008,001
NET POSITION	\$ 3,546,458	\$ 6,098,389

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

DESERT HEALTHCARE FOUNDATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Private-Purpose Trust Fund</u>	
	<u>2023</u>	<u>2022</u>
ADDITIONS		
Contributions	\$ 219,714	\$ 40,275
Grants	935,828	2,168,605
Bequests	57,520	57,080
Interest and dividends	114,841	138,889
Investment gains and losses	190,543	(498,074)
Change in value - charitable trusts	7,751	(12,420)
	<u>1,526,197</u>	<u>1,894,355</u>
Total support and revenue		
DEDUCTIONS		
Grants and services	3,379,746	1,079,948
Management and general	698,382	565,599
	<u>4,078,128</u>	<u>1,645,547</u>
Total expenses		
INCREASE (DECREASE) IN NET POSITION	<u>(2,551,931)</u>	<u>248,808</u>
NET POSITION, BEGINNING OF FISCAL YEAR	6,098,389	5,905,042
PRIOR PERIOD ADJUSTMENT		<u>(55,461)</u>
NET POSITION, BEGINNING OF FISCAL YEAR, RESTATED	<u>6,098,389</u>	<u>5,849,581</u>
NET POSITION, END OF FISCAL YEAR	<u>\$ 3,546,458</u>	<u>\$ 6,098,389</u>

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Desert Healthcare District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District was organized on December 14, 1948, by a Resolution adopted by the Board of Supervisors, County of Riverside, under the provisions of The Local Hospital District Law (Sections 32000-32314 of the California Health and Safety Code) to provide and operate health care facilities within the area known as the Western Coachella Valley.

Each of the seven members of the District's Board of Directors holds office for a four-year term, which is staggered against the other terms. Elections are by popular vote of the constituents within the District's boundaries.

Effective June 29, 1986, the District transferred control of Desert Hospital and all related assets and liabilities to Desert Health Systems, Inc. (System) under the terms of a master lease agreement. The purpose of the transfer was to permit the hospital to operate more competitively and efficiently by becoming a private not-for-profit entity. On December 8, 1988, the System merged with Desert Hospital Corporation (Corporation), the surviving entity. This transaction had no impact with respect to the District.

Until June 1, 1997, the District served as a pass-through entity between the Corporation and the trustee of Hospital Revenue Certificates of Participation issued in 1990 and 1992 and as a recipient of District tax revenues. The District annually pledged the tax revenues it received to the Corporation to be utilized for general corporate purposes. Historically, tax revenues were used to support capital improvement programs.

Effective May 30, 1997, the District entered into a 30-year lease of Desert Hospital with Tenet Health System Desert, Inc. (Tenet). Terms of the lease included payment by Tenet of the Hospital Revenue Certificates of Participation issued in 1990 and 1992 (approximately \$80,000,000) as prepaid rent. Tenet also paid the District \$15,400,000 cash, representing additional prepaid rent. (See Note 2)

As a result of AB2414 and a vote of the residents of the Eastern Coachella Valley in November 2018, the District expanded its boundaries and service area to encompass the broader Coachella Valley. The District has and continues to assess the healthcare needs of the Coachella Valley. The District makes grants to healthcare providers who provide needed healthcare services.

As required by U.S. GAAP, these financial statements present the District and its component unit entity for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the District's operations and so data from these units are combined with data of the District. Component units should be included in the reporting entity financial statement using blending method if either of the following criteria are met:

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial Reporting Entity — Continued

- The component unit's governing body is the same as the governing body of the District.
- The component unit provides services entirely, or almost entirely, to the District or otherwise exclusively, or almost exclusively, benefits the District even though it does not provide services directly to the District.

Included within the reporting entity as a blended component unit is the following:

Desert Healthcare Foundation (Foundation)

The Foundation is a nonprofit health and welfare organization created to identify the health care needs of the Desert Healthcare District and to work toward alleviating those needs through various programs and services. The Foundation operates primarily in the Coachella Valley area of Southern California and, as such, is subject to market conditions, which could affect charitable giving and the realization of recorded assets values at various times.

The foundation's condensed financial statements are included in these financial statements as a Private-Purpose Trust Fund fiduciary fund type. Complete financial statements of the Foundation can be requested from the District, 1140 North Indian Canyon Drive, Palm Springs, California 92262.

Basis of Accounting and Measurement Focus

Business-Type Activities

The basic financial statements include a Statement of Net Position, Statement of Revenues, Expenditures, and Changes in Net Position, and a Statement of Cash Flows. These statements present summaries of business-type activities for the District.

These basic financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents changes in net position for the fiscal year. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. All proprietary funds are accounted for on a cost of services of "*economic resources*" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the Statement of Net Position. Their reported fund equity presents total net position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. The Statement of Cash Flows is presented with cash, cash equivalents, and investments.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The District's Fiduciary fund includes Private Purpose Trust Funds, which account for resources that are being held for the benefit of the District. The Fiduciary fund is accounted for using the accrual basis of accounting.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Accounting and Measurement Focus – Continued

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Foundation's policy is to apply restricted net position first.

Cash, Cash Equivalent and Investments

All cash and cash equivalents are considered to be demand deposits, money market funds and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

Leases Receivable/Payable

GASB issued Statement No. 87 “Leases” to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease asset and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. See Notes 5, 10 and 11 for additional information on right to use assets, lease receivables, and lease payable, respectively.

Prepaid Items and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings and Improvements	40 – 50 years
Furniture and Equipment	3 – 7 years

Right To Use Assets

The District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease. See Note 5 for additional information.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Compensated Absences

Employees have vested interests in varying levels of vacation and sick leave based on their length of employment. Sick leave is payable only when an employee is unable to work due to personal or family illness. Unused sick leave does not vest and is forfeited upon termination.

Property Tax

The County of Riverside (the County) bills and collects property taxes on behalf of numerous special districts and incorporated cities, including the District. The District's collections of current year's taxes are received through periodic apportionments from the County.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Since the passage of California's Proposition 13, beginning with fiscal year 1978-79 general property taxes are based either on a flat 1% rate applied to the 1975-1976 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-1976 valuation. Taxable values on properties (exclusive of increases related to sales and new construction) can rise at a maximum of 2% per year.

The Proposition 13 limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13).

Property tax revenue is recognized in the fiscal year for which the taxes have been levied. Property taxes received after this date are subject to accrual and considered available as a resource that can be used to finance the current year operations of the District.

Income Taxes

The District is a political subdivision of the State of California and, as such, is exempt from federal and state income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurement

The District and Foundation apply Generally Accepted Accounting Principles (U.S. GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis in accordance with GASB Statement Nos. 31 and 40.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Assets

Net Investment in Capital Assets — this amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position — This amount is restricted by external creditors, grantors, contributors, or laws of regulations of other governments.

Unrestricted Net Position — This amount is all net assets that do not meet the definition of “net investment in capital assets”, or “restricted net position”.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 65, the District recognizes deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. Refer to Note 14 for a detailed listing of the deferred outflow of resources that the District has recognized.

Pursuant to GASB Statement No. 65, the District recognizes deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of fund balance/net position by the government that is applicable to a future reporting period. Refer to Notes 10 and 14 for a detailed listing of the deferred inflow of resources that the District has recognized.

2. LEASE AGREEMENT — TENET HEALTH SYSTEM DESERT, INC.

The District, as described in the Summary of Significant Accounting Policies, entered into a thirty (30) year lease agreement for Desert Regional Medical Center (Hospital) with Tenet Health System Desert, Inc. (Tenet). In the event that Tenet or the District decide to terminate the lease, the District would be responsible for operating the Hospital which would require upfront operating capital of approximately \$125,000,000 to maintain the operations without interruption during the transition period. The District, recognizing this obligation, established an investment fund, with a net value of \$64,831,524 as of June 30, 2023, identified as the Facility Replacement Fund.

3. CASH AND INVESTMENTS

The cash and investments are classified in the financial statements as shown below:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
District's Statement of Net Position:		
Cash and cash equivalents	\$ 4,351,293	\$ 9,116,884
Investments	63,214,530	56,557,955
Fiduciary Statement of Net Position:		
Cash and cash equivalents	479,488	516,636
Investments	<u>4,429,454</u>	<u>4,181,156</u>
Total Cash and Investments	<u>\$ 72,474,765</u>	<u>\$ 70,372,631</u>

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

3. CASH AND INVESTMENTS (CONTINUED)

Cash and Investments consist
of the following:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash on Hand	\$ 707	\$ 700
Cash in Bank-District	2,733,799	3,094,102
Cash in Bank-Foundation	360,890	396,370
Money Market Funds	1,735,385	6,142,348
Investments	<u>67,643,984</u>	<u>60,739,111</u>
Total Cash and Investments	<u>\$ 72,474,765</u>	<u>\$ 70,372,631</u>

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the Desert Healthcare District (District) by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
Local Agency Investment Fund (State Pool)	N/A	None	\$75 million
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues	5 years	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Repurchase Agreements	1 year	None	None
Bankers' Acceptance	180 days	40%	30%
Commercial Paper - Pooled Funds	270 days	40%	10%
Commercial Paper - Non-Pooled Funds	270 days	25%	10%
Negotiable Time Certificates of Deposit	5 years	30%	None
Non-negotiable Time Certificates of Deposit	5 years	None	None
State of California and Local Agency Obligations	5 years	None	None
Placement Service Certificates of Deposit	5 years	30%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds and Money Market Mutual Funds	N/A	20%	None
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	None

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

3. CASH, AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming closer to maturity evenly over time as necessary to provide the cash flow and liquidity needed for distributions.

As of June 30, 2023

Investment Type	Carrying Amount	Remaining Maturity (in Months)				
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	More than 49 Months
Corporate Bonds*	\$ 1,152,794	\$ 114,560	\$ 203,289	\$ 91,389	\$ 213,038	\$ 530,518
U.S. Treasury Notes	63,214,530	7,355,380	41,061,390	8,090,990	3,760,980	2,945,790
U.S. Treasury Notes*	654,290		100,461			553,829
Domestic Common Stock*	2,622,370	2,622,370				
Total	<u>\$ 67,643,984</u>	<u>\$ 10,092,310</u>	<u>\$ 41,365,140</u>	<u>\$ 8,182,379</u>	<u>\$ 3,974,018</u>	<u>\$ 4,030,137</u>

* Held by Foundation

As of June 30, 2022

Investment Type	Carrying Amount	Remaining Maturity (in Months)				
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	More than 49 Months
Corporate Bonds*	\$ 1,264,440	\$ 136,519	\$ 153,149	\$ 232,498	\$ 92,783	\$ 649,491
U.S. Government Agencies	2,000,500	2,000,500				
U.S. Government Agencies*	320,952					320,952
U.S. Treasury Notes	54,675,944	10,984,330	6,325,095	37,248,030		118,489
U.S. Treasury Notes*	124,170			124,170		
Domestic Common Stock*	2,353,105	2,353,105				
Total	<u>\$ 60,739,111</u>	<u>\$ 15,474,454</u>	<u>\$ 6,478,244</u>	<u>\$ 37,604,698</u>	<u>\$ 92,783</u>	<u>\$ 1,088,932</u>

* Held by Foundation

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

3. CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code and the District's investment policy, and the actual rating as of fiscal year end for each investment type.

As of June 30, 2023:

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA/AA	A	BBB/BB	Not Rated
Corporate Bonds*	\$ 1,152,794	N/A	\$ -	\$ 137,653	\$ 408,007	\$ 607,134	\$ -
U.S. Treasury Notes	63,214,530	N/A	63,214,530				
U.S. Treasury Notes*	654,290	N/A	654,290				
Domestic Common Stock*	2,622,370	N/A					2,622,370
Total	\$ 67,643,984		\$ 63,868,820	\$ 137,653	\$ 408,007	\$ 607,134	\$ 2,622,370

* Held by Foundation. No Foundation policy establishing minimum legal rating.

As of June 30, 2022:

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA/AA	A	BBB/BB	Not Rated
Corporate Bonds*	\$ 1,264,440	N/A	\$ -	\$ 174,717	\$ 510,169	\$ 579,554	\$ -
U.S. Government Agencies	2,000,500	A		2,000,500			
U.S. Government Agencies*	320,952	N/A		320,952			
U.S. Treasury Notes	54,557,455	N/A	54,557,455				
U.S. Treasury Notes*	242,659	N/A	242,659				
Domestic Common Stock*	2,353,105	N/A					2,353,105
Total	\$ 60,739,111		\$ 54,800,114	\$ 2,496,169	\$ 510,169	\$ 579,554	\$ 2,353,105

* Held by Foundation. No Foundation policy establishing minimum legal rating.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

3. CASH AND INVESTMENTS - Continued

Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments at June 30, 2022 and 2023 that represent 5% or more of total District investments (other than U.S. Treasury Notes).

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023 and 2022, the District's deposits with financial institutions in excess of federal depository insurance limits are legally required by the California Government Code, to collateralize the District's deposits as noted above.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active;
- Level 3: Investments reflect prices based upon unobservable sources.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

3. CASH AND INVESTMENTS – Continued

The District has the following recurring fair value measurements;

As of June 30, 2023	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value				
Debt Securities				
Corporate Bonds	\$ 1,152,794	\$ 1,152,794	\$ -	\$ -
U.S. Treasury Notes	63,868,820	63,868,820		
Domestic Common Stock	2,622,370	2,622,370		
	<u>\$ 67,643,984</u>	<u>\$ 67,643,984</u>	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2022	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value				
Debt Securities				
Corporate Bonds	\$ 1,264,440	\$ 1,264,440	\$ -	\$ -
U.S. Government Agencies	2,321,452	2,321,452		
U.S. Treasury Notes	54,800,114	54,800,114		
Domestic Common Stock	2,353,105	2,353,105		
	<u>\$ 60,739,111</u>	<u>\$ 60,739,111</u>	<u>\$ -</u>	<u>\$ -</u>

4. CAPITAL ASSETS

Business-Type Activities

At June 30, 2023 and 2022, the capital assets of the business-type activities consisted of the following:

June 30, 2023	Balance			Balance June 30, 2023
	July 1, 2022	Additions	Deletions	
Non-depreciable assets				
Land	\$ 3,859,100	\$ -	\$ -	\$ 3,859,100
Construction in progress	722,368	137,714		860,082
Total non-depreciable assets	<u>4,581,468</u>	<u>137,714</u>		<u>4,719,182</u>
Depreciable assets:				
Buildings and improvements	18,968,473	139,900		19,108,373
Furniture and equipment	123,822	31,582	(3,387)	152,017
Total	<u>19,092,295</u>	<u>171,482</u>	<u>(3,387)</u>	<u>19,260,390</u>
Less accumulated depreciation	<u>(12,155,569)</u>	<u>(719,272)</u>	<u>3,387</u>	<u>(12,871,454)</u>
Total depreciable assets, net	<u>6,936,726</u>	<u>(547,790)</u>		<u>6,388,936</u>
Total Capital Assets, Net	<u>\$ 11,518,194</u>	<u>\$ (410,076)</u>	<u>\$ -</u>	<u>\$ 11,108,118</u>

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

4. CAPITAL ASSETS (CONTINUED)

Business-Type Activities (Continued)

Depreciation expense consists of operating expense depreciation of \$221,966 and rental expense depreciation of \$497,306.

<u>June 30, 2022</u>	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Non-depreciable assets				
Land	\$ 3,859,100	\$ -	\$ -	\$ 3,859,100
Construction in progress	729,813	562,563	(570,008)	722,368
Total non-depreciable assets	<u>4,588,913</u>	<u>562,563</u>	<u>(570,008)</u>	<u>4,581,468</u>
Depreciable assets:				
Buildings and improvements	18,247,013	735,961	(14,501)	18,968,473
Furniture and equipment	113,742	10,787	(707)	123,822
Total	<u>18,360,755</u>	<u>746,748</u>	<u>(15,208)</u>	<u>19,092,295</u>
Less accumulated depreciation	<u>(11,495,099)</u>	<u>(675,678)</u>	<u>15,208</u>	<u>(12,155,569)</u>
Total depreciable assets, net	<u>6,865,656</u>	<u>71,070</u>	<u></u>	<u>6,936,726</u>
Total Capital Assets, Net	<u>\$ 11,454,569</u>	<u>\$ 633,633</u>	<u>\$ (570,008)</u>	<u>\$ 11,518,194</u>

Depreciation expense consists of operating expense depreciation of \$193,105 and rental expense depreciation of \$482,573.

5. RIGHT TO USE ASSET

The District has recorded one right to use leased asset. The asset is a right to use asset for office space. The related lease payable is discussed in Note 11. The right to use lease asset is amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the District for the fiscal year ended June 30, 2023, was as follows:

<u>June 30, 2023</u>	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Right to use asset				
Building	\$ -	\$ 216,235	\$ -	\$ 216,235
Total right to use asset	<u></u>	<u>216,235</u>	<u></u>	<u>216,235</u>
Less accumulated amortization	<u></u>	<u>(22,178)</u>	<u></u>	<u>(22,178)</u>
Total right to use asset, net	<u>\$ -</u>	<u>\$ 194,057</u>	<u>\$ -</u>	<u>\$ 194,057</u>

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

6. RESTRICTED NET POSITION

The District had \$1,479,996 and \$1,353,143 of restricted net position at June 30, 2023 and 2022, respectively, related to the District's net pension asset.

7. SPLIT INTEREST AGREEMENTS – FOUNDATION

At June 30, 2023 and 2022, the split interest agreements of the fiduciary fund consisted of the following:

	<u>2023</u>	<u>2022</u>
Contributions receivable - charitable remainder trusts	<u>\$ 196,140</u>	<u>\$ 188,389</u>
Total	<u>\$ 196,140</u>	<u>\$ 188,389</u>

Charitable Remainder Trusts

The Foundation was named beneficiary to two additional charitable remainder unitrusts (whose trustees are someone other than the Foundation), all of which are recorded at fair market value. The general terms of the two trusts are as follows:

Trust 4 (dated October 3, 1989): The lesser of the trust income or 8% of the net fair market value of trust assets is to be distributed to the life beneficiary annually. Upon the death of the life beneficiary, 50% of the principal and income not required to have been distributed to the life beneficiary shall become the property of the Foundation, to be used for cancer treatment, or for general purposes if a cure for cancer has been found.

At December 31, 2018, which is the most current information available, the estimated present value of future cash flows was \$126,022 for each June 30, 2023 and 2022.

Trust 7 (dated May 17, 1990): 8.5% of the net fair market value of trust assets is to be distributed to the life beneficiary annually. Upon the death of the life beneficiary, all of the principal and income not required to have been distributed to the life beneficiary shall become the property of the Foundation, to be used for general purposes. The estimated present value of future cash flows at June 30, 2023 and 2022 was \$70,118 and \$62,367, respectively.

8. GRANTS

The District has granted awards to various healthcare providers that provide needed healthcare services. Awards not fully funded in the current fiscal year are carried over to the subsequent fiscal year. At June 30, 2023 and 2022, the total grant awards payable were \$8,944,394 and \$10,552,067, respectively. Total grant expense for the fiscal years ended June 30, 2023 and 2022 amounted to \$4,000,000 and \$4,024,467, respectively.

The Foundation has granted awards to various healthcare providers that provide needed healthcare services. At June 30, 2023 and 2022, the total grant awards payable were \$1,741,281 and \$995,028, respectively. Total grants and services expense for the years ended June 30, 2023 and 2022 amounted to \$3,379,746 and \$1,079,948, respectively.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

9. LONG-TERM DISABILITY CLAIMS RESERVE

Long-term disability claims were self-insured by the District. Claimants' payments are administered internally and made pursuant to the plan. Claimants are paid either to age 65 or until they return to work. At June 30, 2023 and 2022, the long-term disability claims reserves were as follows:

	Balance at July 1, 2022	Claims Paid	Changes in Estimates	Balance at June 30, 2023	Due Within One Year
Claims payable	\$ 17,785	\$ (17,785)	\$ -	\$ -	\$ -

	Balance at July 1, 2021	Claims Paid	Changes in Estimates	Balance at June 30, 2022	Due Within One Year
Claims payable	\$ 31,085	\$ (14,803)	\$ 1,503	\$ 17,785	\$ 14,803

10. LEASE RECEIVABLE

Las Palmas Medical Plaza

The District currently has 10 office building lease agreements that are subject to GASB 87 in place as of June 30, 2023 at the Las Palmas Medical Plaza. Revenue recognition is in accordance with GASB Statement No. 87. The leases were entered into at various dates but under reporting requirements of GASB Statement No.87, they all commence on July 1, 2021, without the need to restate balances that existed prior to that date. Summarized information for each lease is as follows:

Lessee	Location	Monthly rent for fiscal year ended June 30, 2023	Expiration	Lease receivable as of June 30, 2023
Eyecare Services Partner	1E 101-102	\$ 4,840	3/31/2033	\$ 576,624
Palm Tree Medical	1E 201-203	1,950	1/31/2028	280,530
Pathway Diagnostics	1W 101	1,788	12/31/2027	99,642
Quest Diagnostics	1W 102-103	2,893	5/31/2035	470,953
Cohen, Musch, Thomas Med Group	1W 105-106	3,006	11/30/2024	51,761
Cure Cardiovascular Consultants	1W 202-203	2,240	8/31/2027	116,510
Coachella Valley Volunteers in Medicine	1W 204	2,240	11/30/2028	151,724
Wolfson, MD	2W 101	2,714	7/31/2025	69,661
Global Premier Fertility	3W 101	2,981	12/31/2026	132,098
Gundry and Ehrman, MD	3W 103-104	4,219	7/31/2027	225,341

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

10. LEASE RECEIVABLE (CONTINUED)

Imperial Park Land Lease

In July 1994, the District was distributed certain parcels of land that underlies the Park Imperial North Condominium Project on Vista Chino in Palm Springs, California. The term of the lease is for 98 years beginning in October 1959, prior to distribution to the District. Rent payments from the condominium project are \$750 per month. Payments received during the fiscal year were \$750 monthly from July 2022 through June 2023. The lease will expire in June 2057.

T-Mobile Cell Tower

In August 2021, the District entered into a lease with T-Mobile West LLC for use of land for the operation of cellular towers at 1150 No. Indian Canyon Dr. in Palm Springs, California. The term was for 5 years and includes four additional optional 5-year terms. If all extensions are exercised the lease would end in August of 2046. The options to extend are exercised unless written notification of cancellation occurs within 60 days prior to the expiration of the existing term. Initial rent payments were \$2,000 a month increasing by 15% every exercise of extension following the first extension under the terms of the lease. Payments received during the fiscal year were \$2,000 monthly from July 2022 through June 2023. The current 5-year term will expire in August 2026.

11. LEASE PAYABLE

The District has entered into agreements to lease office space. The lease agreements qualify as other than short-term leases under GASB Statement No.87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on July 1, 2021, to lease office space at 41550 Eclectic St. in Palm Springs, California. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 1.49%, which is Federal funds rate at the time of inception. As a result of the lease, the District has recorded a right to use asset with a net book value of \$194,057 at June 30, 2023. The right to use asset is discussed in more detail in Note 5.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Fiscal Year Ended June 30,	Lease Payable		
	Principal	Interest	Total
2024	\$ 21,186	\$ 2,814	\$ 24,000
2025	21,504	2,496	24,000
2026	21,827	2,173	24,000
2027	22,154	1,846	24,000
2028	22,487	1,513	24,000
2029-2032	87,640	4,360	92,000
	<u>\$ 196,798</u>	<u>\$ 15,202</u>	<u>\$ 212,000</u>

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

12. INSURANCE

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; and natural disasters for which the District carries commercial insurance. The District purchases commercial insurance to cover the risk of loss for property, business liability, and medical payments.

13. COMMITMENT AND CONTINGENCIES

Earthquake Retrofit

Senate Bill 1953 imposes certain requirements that acute care hospitals would be required to meet within a specified time. These requirements include conducting seismic evaluations. The deadline was extended to January 1, 2030. After January 1, 2030, all hospitals must be determined to be in compliance.

Litigation

In the ordinary course of operations, the District is subject to other claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters will not materially affect its financial condition.

13. 401(K) RETIREMENT PLAN

The District converted from a 401(k) retirement plan to 457(B) and 401(A) retirement plans. 457(B) (employee contribution) and 401(A) (employer contribution) retirement plans were determined to be more appropriate for a governmental agency. The 401(K) plan was terminated during the fiscal year and the 457(B) and 401(A) retirement plans became effective October 1, 2014.

The District contributes a dollar for dollar match for the first 4% of employee salary deferral and two dollars match for each additional dollar of the next 2% of employee salary deferral. The District's match contribution for the fiscal years ended June 30, 2023 and 2022 were \$120,339 and \$105,943, respectively.

14. DESERT HOSPITAL RETIREMENT PROTECTION PLAN

Effective July 1, 1971, Desert Hospital Corporation (Corporation) established a defined benefit pension plan (Plan) covering eligible employees of Desert Hospital. The Corporation was dissolved as of May 31, 1997 and the Plan has been frozen as of that date. The Desert Healthcare District (the "District") has assumed sponsorship of the Plan. Refer to the Plan's separate financial statements for more detailed information.

Vesting

All participants of the Plan have been 100% vested since May 31, 1997.

Account Balances

All participants of the Plan are eligible to request a distribution or rollover of their account balance upon retirement or termination of their employment from Desert Regional Medical Center.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

14. DESERT HOSPITAL RETIREMENT PROTECTION PLAN – Continued

Contributions

There have been no contribution requirements by the District since May 31, 1997. Participant contributions to the Plan are not permitted. In the most recent actuarial valuation (dated as of June 30, 2023), the Plan's independent actuary determined that the actuarial value of the Plan's net pension asset was \$1,457,140 at June 30, 2023 and \$1,009,246 at June 30, 2022. In the report it was recommended that an actuarially determined contribution of \$0 as of June 30, 2023 and \$0 as of June 30, 2022, should be made due to the Plan's funded status.

Administration and Trustee

The Plan is administered by the District's Finance and Administrative Committee (the Committee). The Committee is selected by the District's board of directors. All administrative expenses are paid by the Plan or at the discretion of the District.

Pursuant to the terms of the Plan, the District entered into a trust agreement with US Bank N.A. to provide for the investment, reinvestment, administration and distribution of contributions made under the Plan.

Schedule of Funding Progress

Actuarial Valuation Date (1)	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/2006	\$ 5,236,383	\$ 9,566,663	\$(4,330,280)	55%	N/A	N/A
6/30/2007	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2008	4,552,074	9,312,581	(4,760,507)	49%	N/A	N/A
6/30/2009	3,351,366	9,141,403	(5,790,037)	37%	N/A	N/A
6/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2011	3,522,125	7,921,342	(4,399,217)	45%	N/A	N/A
6/30/2012	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2013	2,797,614	7,357,700	(4,560,086)	38%	N/A	N/A
6/30/2014	2,656,607	10,603,012	7,946,405	25%	N/A	N/A
6/30/2015	2,405,256	10,149,205	7,743,949	24%	N/A	N/A
6/30/2016	1,924,238	11,568,940	9,644,702	17%	N/A	N/A
6/30/2017	5,344,173	8,219,294	2,875,121	65%	N/A	N/A
6/30/2018	5,189,834	8,467,627	3,277,793	61%	N/A	N/A
6/30/2019	4,913,907	8,309,530	3,395,623	59%	N/A	N/A
6/30/2020	4,783,963	9,388,217	4,604,254	51%	N/A	N/A
6/30/2021	5,314,972	3,507,940	(1,807,032)	182%	N/A	N/A
6/30/2022	4,597,838	3,588,592	(1,009,246)	128%	N/A	N/A
6/30/2023	4,493,259	3,036,119	(1,457,140)	148%	N/A	N/A

No actuarial report or estimation using actuarial methodology was prepared for June 30, 2012, 2010, and 2007.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

14. DESERT HOSPITAL RETIREMENT PROTECTION PLAN – Continued

General Information about the Desert Hospital Retirement Protection Plan (Plan) Pension Plan

Plan Description

The Plan was originally established in 1971 as a defined benefit plan covering all eligible employees of Desert Hospital. The plan has been frozen since May 31, 1997.

Employees Covered

At June 30, 2023 and 2022, the following employees were covered by the benefit terms:

	<u>2023</u>	<u>2022</u>
Inactive plan members if beneficiaries currently receiving benefits	7	7
Inactive plan members entitled to but not yet receiving benefits	58	59
Active plan members	68	88
Total Employees Covered	<u>133</u>	<u>154</u>

Contributions

There have been no contribution requirements by the District since May 31, 1997. Participant contributions to the Plan are not permitted.

Net Pension Liability (Asset)

The District's net pension liability (asset) for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Inflation	2.75%
Discount rate	6.56%, net of pension plan investment expense, including inflation.
Measurement date	June 30, 2023, based on a valuation date of June 30, 2023.
Ad hoc cost-of-living increases	Not applicable
Mortality	Pre-Retirement: None Post-Retirement: PubG-2010 Sex distinct mortality tables projected generationally with Scale MP-2021
Experience study	Given the size of the plan, there is not enough data available to conduct a credible experience study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. The liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions. The plan is frozen to new participants and benefit accruals.
Retirement	100% retirement at age 65.
Termination	Participants* are assumed to work for the Desert Regional Medical Center operated by Tenet Health System Desert, Inc. until Normal Retirement Age.
Other assumptions	See actuarial assumptions provided in the June 30, 2023 funding valuation for other relevant assumptions.

* Former Desert Hospital employees employed with Tenet Health System Desert, Inc.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

14. DESERT HOSPITAL RETIREMENT PROTECTION PLAN – Continued

Net Pension Liability (Asset) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.56 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, the Plan stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.56 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 6.56 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 6.71 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. The Plan checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

The Plan expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through the 2023-2024 fiscal year. The Plan will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

14. DESERT HOSPITAL RETIREMENT PROTECTION PLAN – Continued

Net Pension Liability (Asset) (Continued)

Expected Rate of Return

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Target Allocation	Long-term expected real rate of return
Domestic fixed income securities	35.0%	1.22%
Domestic equities	48.0%	4.96%
International equities	12.0%	4.62%
Cash	5.0%	-0.15%

Changes in the Net Pension Liability (Asset)

The changes in the Net Pension Liability (Asset) for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position Liability/(Asset) (c) = (a) - (b)
Balance, June 30, 2022	\$ 3,588,592	\$ 4,597,838	\$ (1,009,246)
Changes in Recognized for the Measurement Period:			
Employer Contributions			
Interest on the Total Pension Liability	207,687		207,687
Differences between Expected and Actual Experience	(224,667)		(224,667)
Changes in Assumptions	(14,943)		(14,943)
Net Investment Income *		415,971	(415,971)
Benefit Payments, including Refunds of Employee Contributions	(520,550)	(520,550)	
Administrative Expenses			
Net Changes during 2022-2023	(552,473)	(104,579)	(447,894)
Balance, June 30, 2023	\$ 3,036,119	\$ 4,493,259	\$ (1,457,140)

* Net of administrative expenses.

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

14. DESERT HOSPITAL RETIREMENT PROTECTION PLAN – Continued

Changes in the Net Pension Liability (Asset) (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.56 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.56 percent) or 1 percentage-point higher (7.56 percent) than the current rate:

	<u>1% Decrease (5.56%)</u>	<u>Current Discount Rate (6.56%)</u>	<u>1% Increase (7.56%)</u>
Net pension liability	\$ (1,406,256)	\$ (1,457,140)	\$ (1,502,525)

Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports.

The Plan’s Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$84,991. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (112,333)
Net differences between projected and actual earnings on pension plan investments	587,440	(444,780)
Changes in assumptions		(7,471)
Total	<u>\$ 587,440</u>	<u>\$ (564,584)</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ (84,002)
2025	(14,173)
2026	150,094
2027	(29,063)
Total	<u>\$ 22,856</u>

DESERT HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 WITH COMPARATIVE TOTALS AT JUNE 30, 2022

15. RELATED PARTY TRANSACTIONS

The Desert Healthcare District and the Desert Healthcare Foundation are related parties. The Foundation is organized to provide health and welfare assistance to Coachella Valley residents in need. The District donated funds of \$750,000 and \$2,000,000 to the Foundation, to help fulfill their purpose during June 30, 2023 and 2022, respectively. The District also provided the Foundation with office space and personnel of \$650,785 and \$534,792 during June 30, 2023 and 2022, respectively.

Grants payable to the Foundation as of June 30, 2023 amounted to \$750,000. As of June 30, 2023 accounts receivable from the Foundation were \$0.

The Desert Healthcare District awarded and disbursed grant funds to a grantee, Vision y Compromiso, whose associate director is the District's CEO's wife. At June 30, 2023 and 2022, total grants awarded to Vision y Compromiso were \$0 and \$150,000, respectively. Total grant funds expended to Vision y Compromiso for the fiscal year ended June 30, 2023 and 2022 amounted to \$67,500 and \$0, respectively.

16. PRIOR PERIOD ADJUSTMENTS

There was a prior period adjustment of \$24,486 on the statement of activities related to the understatement of lease receivables and the understatement of deferred inflows of resources.

There was a prior period adjustment of \$(1,436) on the statement of activities related to an understatement of bank fees in the prior fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

DESERT HEALTHCARE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2023

Prepared for the Desert Healthcare District, a Single-Employer Defined Benefit Pension Plan as of June 30, 2023

Note 1 – Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios – Last 10 Years*

	06/30/2023	06/30/2022	06/30/2021	06/30/2020	06/30/2019
Total pension liability					
Service cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	207,687	229,605	342,696	374,170	385,951
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	(224,667)	0	(1,123,559)	0	(802,110)
Changes of assumptions	(14,943)	23,267	(4,503,151)	912,601	769,854
Benefit payments, including refunds of member contributions	(520,550)	(172,220)	(596,263)	(208,084)	(511,792)
Net change in total pension liability	(552,473)	80,652	(5,880,277)	1,078,687	(158,097)
Total pension liability - beginning	3,588,592	3,507,940	9,388,217	8,309,530	8,467,627
Total pension liability - ending (a)	\$ 3,036,119	\$ 3,588,592	\$ 3,507,940	\$ 9,388,217	\$ 8,309,530
Plan fiduciary net position					
Contributions - employer	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - member	0	0	0	0	0
Contributions - nonemployer contributing member	0	0	0	0	0
Net investment income	415,971	(544,914)	1,127,272	78,140	235,865
Benefit payments, including refunds of member contributions	(520,550)	(172,220)	(596,263)	(208,084)	(511,792)
Administrative expenses	0	0	0	0	0
Other	0	0	0	0	0
Net change in plan fiduciary net position	(104,579)	(717,134)	531,009	(129,944)	(275,927)
Plan fiduciary net position - beginning	4,597,838	5,314,972	4,783,963	4,913,907	5,189,834
Plan fiduciary net position - ending (b)	\$ 4,493,259	\$ 4,597,838	\$ 5,314,972	\$ 4,783,963	\$ 4,913,907
Net pension liability - ending (a) - (b)	\$ (1,457,140)	\$ (1,009,246)	\$ (1,807,032)	\$ 4,604,254	\$ 3,395,623
Plan fiduciary net position as a percentage of the total pension liability	147.99%	128.12%	151.51%	50.96%	59.14%
Covered-employee payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net pension liability as percentage of covered - employee payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	06/30/2018	06/30/2017	06/30/2016	06/30/2015	
Total pension liability					
Service cost	\$ 0	\$ 0	\$ 0	\$ 0	
Interest	399,298	321,990	397,980	418,035	
Changes of benefit terms	0	0	0	0	
Differences between expected and actual experience	0	(437,093)	(493,455)	(537,578)	
Changes of assumptions	315,705	(2,852,163)	1,944,607	0	
Benefit payments, including refunds of member contributions	(466,670)	(382,380)	(459,397)	(304,264)	
Net change in total pension liability	248,333	(3,349,646)	1,389,735	(423,807)	
Total pension liability - beginning	8,219,294	11,568,940	10,179,205	10,603,012	
Total pension liability - ending (a)	\$ 8,467,627	\$ 8,219,294	\$ 11,568,940	\$ 10,179,205	
Plan fiduciary net position					
Contributions - employer	\$ 0	\$ 3,400,000	\$ 0	\$ 0	
Contributions - member	0	0	0	0	
Contributions - nonemployer contributing member	0	0	0	0	
Net investment income	347,969	426,828	(6,638)	70,805	
Benefit payments, including refunds of member contributions	(466,670)	(382,380)	(459,397)	(304,264)	
Administrative expenses	(35,638)	(24,513)	(14,983)	(17,892)	
Other	0	0	0	0	
Net change in plan fiduciary net position	(154,339)	3,419,935	(481,018)	(251,351)	
Plan fiduciary net position - beginning	5,344,173	1,924,238	2,405,256	2,656,607	
Plan fiduciary net position - ending (b)	\$ 5,189,834	\$ 5,344,173	\$ 1,924,238	\$ 2,405,256	
Net pension liability - ending (a) - (b)	\$ 3,277,793	\$ 2,875,121	\$ 9,644,702	\$ 7,773,949	
Plan fiduciary net position as a percentage of the total pension liability	61.29%	65.02%	16.63%	23.63%	
Covered-employee payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Net pension liability as percentage of covered - employee payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	

(Continued)

*Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

DESERT HEALTHCARE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

JUNE 30, 2023

Prepared for the Desert Healthcare District, a Single-Employer Defined Benefit Pension Plan as of June 30, 2023

Note 1 – Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios – Last 10 Years*

Notes to Schedule

Changes in Assumptions:

- 2017 to 2018 Investment rate of return, including inflation, and net of investment expenses changed from 5.00 % to 4.70%.
- 2017 to 2018 Discount Rate changed from 5.00% to 4.70%.
- 2018 to 2019 Discount Rate changed from 4.70% to 4.56%.
- 2018 to 2019 Investment rate of return, including inflation, and net of investment expenses changed from 4.70 % to 4.56%.
- 2019 to 2020 Discount rate changed from 4.56% to 3.77%
- 2020 to 2021 Discount rate changed from 3.77% to 6.71%
- 2021 to 2022 Discount rate changed from 6.71% to 6.24%
- 2022 to 2023 Discount rate changed from 6.24% to 6.56%

DESERT HEALTHCARE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2023

Note 2 – Schedule of Changes in Net OPEB Liability and Related Ratios – Last 10 Fiscal Years*

Measurement period	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB Liability						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes in assumptions	-	-	-	(3,245)	(908)	-
Interest on the Total OPEB Liability	-	-	-	2,957	3,684	4,057
Benefit Payments and write offs	-	-	(67,364)	(20,321)	(23,490)	(22,587)
Net Change in Total OPEB Liability			(67,364)	(20,609)	(20,714)	(18,530)
Total OPEB Liability - Beginning	-	-	67,364	87,973	108,687	127,217
Total OPEB Liability - Ending (a)	\$ -	\$ -	\$ -	\$ 67,364	\$ 87,973	\$ 108,687
Plan Fiduciary Net Position						
Contribution from the Employer	\$ -	\$ -	\$ 21,400	\$ 20,321	\$ 23,490	\$ 22,587
Net investment income	-	-	-	-	-	-
Benefit Payments	-	-	(21,400)	(20,321)	(23,490)	(22,587)
Administrative Expenses	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position			-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - Ending (a)-(b)	\$ -	\$ -	\$ -	\$ 67,364	\$ 87,973	\$ 108,687
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 N/A	 N/A	 N/A	 0.00%	 0.00%	 0.00%
 Covered - Employee Payroll	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A
 Net OPEB Liability as Percentage of Covered-Employee Payroll	 N/A	 N/A	 N/A	 N/A	 N/A	 N/A

Notes to Schedule:

During the year ended June 30, 2021, the remaining covered retiree passed away and therefore there was no remaining OPEB liability.

Changes of Assumption: Investment/Discount rate changed from 3.50% to 3.80% from 2018 to 2019 measurement period.

*Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

DESERT HOSPITAL
RETIREMENT PROTECTION PLAN

PALM SPRINGS, CALIFORNIA

INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS, AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2023

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report.....	1
Financial Statements	
Statement of Fiduciary Net Position	4
Statement of Changes in Fiduciary Net Position	5
Notes to Financial Statements	6
Required Supplementary Information	
Schedule of Changes in the Net Pension Liability and Related Ratios – Last 10 Fiscal Years	17
Schedule of Contributions – Last 10 Fiscal Years	19



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Desert Healthcare District
Desert Healthcare Hospital Retirement Protection Plan
Palm Springs, CA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the fiduciary activities of the Desert Healthcare Hospital Retirement Protection Plan (the Plan) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements.

In our opinion, the accompanying basic financial statements referred to above present fairly, in all material respects, the financial position of the fiduciary activities of the Plan as of June 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

For the fiscal year ending June 30, 2023, the Plan is reporting Required Supplementary Information in accordance with Government Accounting Standards Board Statement No. 67. The change has no effect on the Fiduciary Net Position or Change in Fiduciary Net Position.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of Changes in the Net Pension Liability (Asset) and Related Ratios and the Schedule of Plan Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management’s Discussion and Analysis and the Schedule of the Annual Money-Weighted Rate of Return on Plan Investments that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2023, on our consideration of the Plan’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan’s internal control over financial reporting and compliance.

Report on Comparative Information

The Plan’s basic financial statements as of and for the fiscal year ended June 30, 2022, were audited by other auditors. They expressed a modified opinion on those audited financial statements in their report dated November 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Levy & Hartzheim
Moss, Levy & Hartzheim, LLP
Culver City, CA
September 8, 2023

DESERT HOSPITAL RETIREMENT PROTECTION PLAN
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR JUNE 30, 2022

	2023	2022
<u>ASSETS</u>		
Cash	\$ 200,936	\$ 212,589
Investments, at fair value		
U.S. Government securities	394,369	342,878
Corporate equity securities	-	561,296
Corporate debt securities	683,184	492,046
Mutual funds	3,209,553	2,989,543
Total investments	4,287,106	4,385,763
Interest and dividends receivable	12,463	6,866
Total Assets	4,500,505	4,605,218
<u>LIABILITIES</u>		
Accrued trustee fees	7,246	7,380
<u>NET POSITION RESTRICTED FOR PENSION</u>		
Net position restricted for pension	\$ 4,493,259	\$ 4,597,838

(The accompanying notes are an integral part of these financial statements)

**DESERT HOSPITAL RETIREMENT PROTECTION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	2023	2022
<u>ADDITIONS:</u>		
Contributions	\$ -	\$ -
Investment income:		
Net appreciation in fair value of Plan assets	32,067	(129,864)
Interest, dividends, and other investment income	129,401	109,120
Net gain(loss) from sale of investments	283,511	(491,776)
Net income (loss)	444,979	(512,520)
<u>DEDUCTIONS:</u>		
Distributions of benefits	520,549	172,220
Administrative expenses	29,009	32,394
Total deductions	549,558	204,614
NET INCREASE (DECREASE) IN NET POSITION	(104,579)	(717,134)
NET POSITION RESTRICTED FOR PENSION:		
BEGINNING OF THE FISCAL YEAR	4,597,838	5,314,972
END OF THE FISCAL YEAR	\$ 4,493,259	\$ 4,597,838

(The accompanying notes are an integral part of these financial statements)

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. PLAN STATUS

From June 1986 to May 1997, the Desert Hospital Corporation (the Corporation), a California not for profit public benefit corporation, operated Desert Hospital under a lease agreement with the Desert Healthcare District (the District). The District is a hospital district under California law, created under California's Health and Safety Code.

On May 31, 1997, after the Corporation and the District discontinued their lease agreement for the operation of Desert Hospital, the Corporation dissolved, and the District entered into a lease agreement with Tenent Health System Desert, Inc., concerning the operation of Desert Hospital, which is now known as Desert Regional Medical Center. As part of the dissolution process, the Corporation transferred certain assets and liabilities to the District, and the District assumed sponsorship of the Desert Hospital Retirement Protection Plan (the Plan). The Plan has been frozen since May 31, 1997.

The District is a political subdivision of the State of California, as identified in section 4021(b)(2) of the Employee Retirement Income Savings Act (ERISA). Accordingly, the Plan is excluded from coverage under section 4021(b)(2) of ERISA.

A final Form 5500 was filed for the fiscal year ended June 30, 1998.

The Plan has reported to the California State Controller's Office beginning with the fiscal year ended June 30, 1999.

2. PLAN DESCRIPTION

General

As discussed in Note 1 above, the Plan has been frozen since May 31, 1997. The Plan was originally established in 1971 as a defined benefit plan covering all eligible employees of Desert Hospital.

Vesting

All participants of the Plan have been 100% vested since May 31, 1997.

Account Balances

All participants of the Plan are eligible to request a distribution or rollover of their account balance upon retirement or termination of their employment from Desert Regional Medical Center.

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

2. PLAN DESCRIPTION (Continued)

Contributions

There have been no contribution requirements by the District since May 31, 1997. Participant contributions to the Plan are not permitted. The most recent actuarial valuation as of June 30, 2023, by the Plan's independent actuary determined that the actuarial value of the Plan's net pension asset was \$(1,457,140) at June 30, 2023 and \$(1,009,246) at June 30, 2022, The actuary recommended to the District an actuarially determined contribution of \$0 for the fiscal year ended June 30, 2023 and \$0 for the fiscal year ended June 30, 2022.

Administration and Trustee

The Plan is administered by the District's Finance and Administrative Committee (the Committee). The Committee is selected by the District's board of directors. All administrative expenses are paid by the Plan or at the discretion of the District.

Pursuant to the terms of the Plan, the District entered into a trust agreement with U.S. Bank N. A. to provide for the investment, reinvestment, administration, and distribution of contributions made under the Plan.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. In that respect, the statements are presented on an accrual basis.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and when applicable, disclosures of contingent assets and liabilities. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Federal Income Taxes

The Committee obtained an updated determination letter in March 2007 from the Internal Revenue Service stating that the Plan and its amendments are exempt from Federal income taxes under section 410(a) of the Internal Revenue Code (the IRC) as a qualified plan. Therefore, no provision for income taxes has been provided in the Plan's financial statements.

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting

Due to the Plan's status as a "Frozen Plan", certain disclosures and supplemental schedules have been omitted from the accompanying financial statements.

4. CASH AND INVESTMENTS

Cash and securities held in the investment portfolio are in the custody of U.S. Bank, N.A., the Plan's trustee. State statute and Board policies allow investments consisting of government, corporate and international bonds, domestic and international equities, mutual funds and other investments.

Investments of the Plan are stated at fair value as confirmed by the trustee as of the date of the statement of plan net assets.

The Plan's investments are categorized below:

<u>Investment Type</u>	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash	<u>\$ 200,936</u>	<u>\$ 200,936</u>	<u>\$ 212,589</u>	<u>\$ 212,589</u>
Investments				
U.S. Government securities	415,536	394,369	356,163	342,878
Corporate equity securities	-	-	360,053	561,296
Corporate debt securities	707,510	683,184	516,423	492,046
Mutual funds	<u>2,596,498</u>	<u>3,209,553</u>	<u>2,617,647</u>	<u>2,989,543</u>
Investments total	<u>3,719,544</u>	<u>4,287,106</u>	<u>3,850,286</u>	<u>4,385,763</u>
Total cash and investments	<u>\$ 3,920,480</u>	<u>\$ 4,488,042</u>	<u>\$ 4,062,875</u>	<u>\$ 4,598,352</u>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that the Plan manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming closer to maturity evenly over time as necessary to provide the cash flow and liquidity needed for distributions.

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

4. CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity:

As of June 30, 2023

Investment Type	Carrying Amount	Remaining Maturity (in Months)				
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	More than 49 Months
Equity Based Mutual Funds	\$ 2,654,131	\$ 2,654,131	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Funds	503,705	503,705				
Balanced Mutual Funds	51,717	51,717				
Corporate Bonds	683,184	198,521	23,729	47,845	46,446	366,643
U.S. Government Agencies	202,576					202,576
U.S. Treasury Note	191,793	99,074				92,719
Total	<u>\$ 4,287,106</u>	<u>\$ 3,507,148</u>	<u>\$ 23,729</u>	<u>\$ 47,845</u>	<u>\$ 46,446</u>	<u>\$ 661,938</u>

As of June 30, 2022

Investment Type	Carrying Amount	Remaining Maturity (in Months)				
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	More than 49 Months
Equity Based Mutual Funds	\$ 2,053,149	\$ 2,053,149	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Funds	936,394	936,394	-	-	-	-
Corporate Bonds	492,046	49,956	200,733	-	49,116	192,241
U.S. Government Agencies	243,179	-	-	-	-	243,179
U.S. Treasury Note	99,699	-	99,699	-	-	-
Foreign Stock	34,813	34,813	-	-	-	-
Domestic Common Stock	526,483	526,483	-	-	-	-
Total	<u>\$ 4,385,763</u>	<u>\$ 3,600,795</u>	<u>\$ 300,432</u>	<u>\$ -</u>	<u>\$ 49,116</u>	<u>\$ 435,420</u>

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

4. CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code and the Plan's investment policy, and the actual rating as of fiscal year end for each investment type.

As of June 30, 2023:

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA/AA	A	BBB	Not Rated
Equity Based Mutual Funds	\$ 2,654,131	N/A	\$ -	\$ -	\$ -	\$ -	\$ 2,654,131
Fixed Income Mutual Funds	503,705	N/A	-	-	-	-	503,705
Balanced Mutual Funds	51,717	N/A	-	-	-	-	51,717
Corporate Bonds	683,184	A	-	145,178	99,789	438,217	-
U.S. Government Agencies	202,576	N/A	-	-	-	-	202,576
U.S. Treasury Note	191,793	N/A	191,793	-	-	-	-
Total	<u>\$ 4,287,106</u>		<u>\$ 191,793</u>	<u>\$ 145,178</u>	<u>\$ 99,789</u>	<u>\$ 438,217</u>	<u>\$ 3,412,129</u>

As of June 30, 2022:

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA/AA	A	BBB	Not Rated
Equity Based Mutual Funds	\$ 2,053,149	N/A	\$ -	\$ -	\$ -	\$ -	\$ 2,053,149
Fixed Income Mutual Funds	936,394	N/A	-	-	-	-	936,394
Corporate Bonds	492,046	A	-	148,138	150,129	193,779	-
U.S. Government Agencies	243,179	A	-	-	243,179	-	-
U.S. Treasury Note	99,699	N/A	99,699	-	-	-	-
Foreign Stock	34,813	N/A	-	-	-	-	34,813
Domestic Common Stock	526,483	N/A	-	-	-	-	526,483
Total	<u>\$ 4,385,763</u>		<u>\$ 99,699</u>	<u>\$ 148,138</u>	<u>\$ 393,308</u>	<u>\$ 193,779</u>	<u>\$ 3,550,839</u>

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

4. CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer. There are five investments at June 30, 2023 that represent 5% or more of total Plan investments. These investments are:

5,390 Shares of IShares S&P 500 Growth Etf valued at \$379,887.
2,581 Shares of IShares S&P 500 Value Etf valued at \$416,031.
5,026 Shares of Vanguard Ftse Developed Etf valued at \$232,101.
600 Shares of Vanguard S&P 500 Etf valued at \$244,368.
21,011 Shares of Pgim Total Return Bond Cl R6 valued at \$301,813.

There are two investments at June 30, 2022 that represent 5% or more of total Plan investments. These investments are:

3,727 Shares of Vanguard Short-term Invt. Grade #539 valued at \$375,688.
2,469 Shares of IShares S&P 500 Value Etf. valued at \$399,389.

Custodial Credit

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Plan's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

As of June 30, 2023, there were no District deposits with financial institutions in excess of federal depository insurance limits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Plan's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities.

Money-weighted rate of return is 9.59% assuming mid-year timing for inflow/outflows.

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

4. CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Plan has the following recurring fair value measurements as of June 30, 2023:

<u>Investment by fair value</u>	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted prices in Active Markets for Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>Debt Securities</u>				
US Government Issues	\$ 394,369	\$ 191,793	\$ 202,576	\$ -
Corporate Issues	683,184	-	683,184	-
Mutual Funds- Equity	2,654,131	2,401,307	252,824	-
Mutual Funds- Balanced	51,717	-	51,717	-
Mutual Funds- Fixed Income	503,705	-	503,705	-
Total	\$ 4,287,106	\$ 2,593,100	\$ 1,694,006	\$ -

The Plan has the following recurring fair value measurements as of June 30, 2022:

<u>Investment by fair value</u>	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted prices in Active Markets for Identical Assets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>Debt Securities</u>				
US Government Issues	\$ 342,878	\$ 99,699	\$ 243,179	\$ -
Corporate Issues	492,046	-	492,046	-
Mutual Funds- Equity	2,053,149	2,053,149	-	-
Mutual Funds- Fixed Income	936,394	-	936,394	-
Domestic Common Stock	526,483	526,483	-	-
Foreign Stock	34,813	34,813	-	-
Total	\$ 4,385,763	\$ 2,714,144	\$ 1,671,619	\$ -

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

5. ACTUARIAL ASSUMPTIONS

The total pension liability as of June 30, 2023, was determined using the following actuarial assumptions:

Inflation	2.75%
Discount rate	6.56%, net of pension plan investment expense, including inflation.
Measurement date	June 30, 2023, based on a valuation date of June 30, 2023.
Ad hoc cost-of-living increases	Not applicable
Mortality	Pre-Retirement: None Post-Retirement: Pub G - 2010 Sex distinct mortality tables projected generationally with Scale MP-2021 from 2010.
Experience study	Given the size of the plan, there is not enough data available to conduct a credible study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. The liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions. The plan is frozen to new participants and benefit accruals.
Retirement	100% retirement at age 65.
Termination	Participants* are assumed to work for the Desert Regional Medical Center operated by Tenet Health System Desert, Inc. until Normal Retirement Age.
Other assumptions	See actuarial assumptions provided in the June 30, 2023 funding valuation for other relevant assumptions.

* Former Desert Hospital employees employed with Tenet Health System Desert, Inc.

The date of the June 30, 2023 actuarial report was August 16, 2023.

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

6. NET PENSION LIABILITY OF THE PLAN

Schedule of Changes in Net Pension Liability and Related Ratios

	<u>2023</u>	<u>2022</u>
Total pension liability:		
Service cost	\$ -	\$ -
Interest	207,687	229,605
Changes of benefit terms	-	-
Differences between expected and actual experience	(224,667)	-
Changes of assumptions	(14,943)	23,267
Benefit payments, including refunds of member contributions	(520,550)	(172,220)
Net change in total pension liability	(552,473)	80,652
Total pension liability - beginning	3,588,592	3,507,940
Total pension liability - ending (a)	<u>\$ 3,036,119</u>	<u>\$ 3,588,592</u>
Plan fiduciary net position		
Contributions - employer	\$ -	\$ -
Net investment income	444,979	(512,520)
Benefit payments, including refunds of member contributions	(520,549)	(172,220)
Administrative expenses	(29,009)	(32,394)
Net change in plan fiduciary net position	(104,579)	(717,134)
Plan fiduciary net position - beginning	4,597,838	5,314,972
Plan fiduciary net position - ending (b)	<u>4,493,259</u>	<u>4,597,838</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ (1,457,140)</u>	<u>\$ (1,009,246)</u>
Plan fiduciary net position as a percentage of the total pension liability	147.99%	128.12%
Covered - employee payroll	N/A	N/A
Net pension liability as percentage of covered - employee payroll	N/A	N/A

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

6. NET PENSION LIABILITY OF THE PLAN (Continued)

Discount Rate and Net Pension Liability Sensitivity

1. Discount Rate

The discount rate used to measure the total pension liability was 6.56%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Professional judgement on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be depleted for current members during the 2037 fiscal year. Therefore, the long-term expected rate of return 6.82% was used to discount funded projected benefit payments and the municipal bond rate 3.15% was used to discount unfunded projected benefit payments to determine the total pension liability. The single effective discount rate was 6.56%.

2. Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset for 2023 and 2022, calculated using the discount rate of 6.56% (6.24%), as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.56% and 5.24%) or 1-percentage-point higher (7.56% and 7.24%) than the current rate:

For the Fiscal Year Ended June 30, 2023

	<u>1% Decrease (5.56%)</u>	<u>Current Discount Rate (6.56%)</u>	<u>1% Increase (7.56%)</u>
Net pension asset	(1,406,256)	(1,457,140)	(1,502,525)

For the Fiscal Year Ended June 30, 2022

	<u>1% Decrease (5.24%)</u>	<u>Current Discount Rate (6.24%)</u>	<u>1% Increase (7.24%)</u>
Net pension asset	(953,692)	(1,009,246)	(1,056,806)

DESERT HOSPITAL RETIREMENT PROTECTION PLAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

6. NET PENSION LIABILITY OF THE PLAN (Continued)

Plan membership

The total pension liability was determined based on the plan membership as of June 30,

	<u>2023</u>	<u>2022</u>
Inactive plan members if beneficiaries currently receiving benefits	7	7
Inactive plan members entitled but not yet receiving benefits	58	59
Active plan members	68	88
	<u>133</u>	<u>154</u>

Net Pension Liability

The components of the net pension liability at June 30,

	<u>2023</u>	<u>2022</u>
Total pension liability	\$ 3,036,119	\$ 3,588,592
Plan fiduciary net position	<u>(4,493,259)</u>	<u>(4,597,838)</u>
Net pension asset	<u>\$ (1,457,140)</u>	<u>\$ (1,009,246)</u>
Plan fiduciary net position as a % of the total pension liability	147.99%	128.12%

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions.

	<u>2023</u>	<u>2022</u>
Inflation	2.75%	2.75%
Salary increases	NA	NA
Investment rate of return	6.56%	6.24%
Discount rate	6.56%	6.24%

7. SUBSEQUENT EVENTS

Management of the Plan has evaluated all potential subsequent events as of September 8, 2023, the date when the financial statements were available to be issued. No subsequent events or transactions were identified after June 30, 2023, that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

DESERT HOSPITAL RETIREMENT PROTECTION PLAN
Schedule of Changes in the Net Pension Liability and Related Ratios- Last 10 Fiscal Years (Continued)
June 30, 2023

	2023	2022	2021	2020	2019
TOTAL PENSION LIABILITY					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	207,687	229,605	342,696	374,170	385,951
Changes of Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	(224,667)	-	(1,123,559)	-	(802,110)
Changes of Assumptions	(14,943)	23,267	(4,503,151)	912,601	769,854
Benefit Payments	(520,550)	(172,220)	(596,263)	(208,084)	(511,792)
Net Change in Total Pension Liability	(552,473)	80,652	(5,880,277)	1,078,687	(158,097)
Total Pension Liability - Beginning	3,588,592	3,507,940	9,388,217	8,309,530	8,467,627
Total Pension Liability - Ending	\$ 3,036,119	\$ 3,588,592	\$ 3,507,940	\$ 9,388,217	\$ 8,309,530
PLAN FIDUCIARY NET POSITION					
Contributions from the Employer/Member	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income	444,979	(512,520)	1,127,272	78,140	235,865
Administrative Expenses	(29,009)	(32,394)	-	-	-
Benefit Payments	(520,549)	(172,220)	(596,263)	(208,084)	(511,792)
Net Change in Plan Fiduciary Net Position	(104,579)	(717,134)	531,009	(129,944)	(275,927)
Plan Fiduciary Net Position - Beginning	4,597,838	5,314,972	4,783,963	4,913,907	5,189,834
Plan Fiduciary Net Position - Ending	\$ 4,493,259	\$ 4,597,838	\$ 5,314,972	\$ 4,783,963	\$ 4,913,907
Plan Net Pension Liability (Asset) - Ending	\$ (1,457,140)	\$ (1,009,246)	\$ (1,807,032)	\$ 4,604,254	\$ 3,395,623
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	147.99%	128.12%	151.51%	50.96%	59.14%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability (Asset) as a percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes in Assumption

- In 2017, the post-retirement mortality tables were changed from 2015 annuitant tables to 2017 annuitant tables
- In 2019, the interest rate changed to 6.82% per annum compounded from 7.5% pre-retirement and 6.5% post retirement.
- In 2019, the post-retirement mortality tables were changed from 2017 IRS Static Mortality table to Scale MP-2018 PubG-2010 sex distinct mortality tables
- In 2021, the interest rate changed to 6.71% from 6.82%
- In 2021, the interest credit rate changed to 2% per annum from 4% per annum
- In 2021, the conversion rate changed to 3% per annum from 5% per annum
- In 2021, the form of payment assumption changed to assume 95% of participants take a lump sum payment and 5% take an annuity
- In 2021, the retirement assumption was updated to assume the active participants retire at age 65 and terminated vested participants take an immediate lump sum payment
- In 2021, the post-retirement mortality tables were changed from Scale MP-2018 PubG-2010 sex distinct mortality tables to Scale MP-2020 PubG-2010 sex distinct mortality tables
- In 2023, the interest rate changed to 6.56% from 6.71%
- In 2023, the post-retirement mortality tables were changed from Scale MP-2020 PubG-2010 sex distinct mortality tables to Scale MP-2021 PubG-2010 sex distinct mortality tables

DESERT HOSPITAL RETIREMENT PROTECTION PLAN
Schedule of Changes in the Net Pension Liability and Related Ratios- Last 10 Fiscal Years (Continued)
June 30, 2023

	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	399,298	321,990	397,980	418,035	N/A
Changes of Benefit Terms	-	-	-	-	N/A
Difference between Expected and Actual Experience	-	(437,093)	(493,455)	(537,578)	N/A
Changes of Assumptions	315,705	(2,852,163)	1,944,607	-	N/A
Benefit Payments	(466,670)	(382,380)	(459,397)	(304,264)	N/A
Net Change in Total Pension Liability	<u>248,333</u>	<u>(3,349,646)</u>	<u>1,389,735</u>	<u>(423,807)</u>	<u>N/A</u>
Total Pension Liability - Beginning	8,219,294	11,568,940	10,179,205	10,603,012	N/A
Total Pension Liability - Ending	<u>\$ 8,467,627</u>	<u>\$ 8,219,294</u>	<u>\$ 11,568,940</u>	<u>\$ 10,179,205</u>	<u>\$10,603,012</u>
PLAN FIDUCIARY NET POSITION					
Contributions from the Employer/Member	\$ -	\$ 3,400,000	\$ -	\$ -	\$ -
Net Investment Income	347,969	426,828	(6,638)	70,805	N/A
Administrative Expenses	(35,638)	(24,513)	(14,983)	(17,892)	N/A
Benefit Payments	(466,670)	(382,380)	(459,397)	(304,264)	N/A
Net Change in Plan Fiduciary Net Position	<u>(154,339)</u>	<u>3,419,935</u>	<u>(481,018)</u>	<u>(251,351)</u>	<u>N/A</u>
Plan Fiduciary Net Position - Beginning	5,344,173	1,924,238	2,405,256	2,656,607	N/A
Plan Fiduciary Net Position - Ending	<u>\$ 5,189,834</u>	<u>\$ 5,344,173</u>	<u>\$ 1,924,238</u>	<u>\$ 2,405,256</u>	<u>\$ 2,656,607</u>
Plan Net Pension Liability (Asset) - Ending	<u>\$ 3,277,793</u>	<u>\$ 2,875,121</u>	<u>\$ 9,644,702</u>	<u>\$ 7,773,949</u>	<u>\$ 7,946,405</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	<u>61.29%</u>	<u>65.02%</u>	<u>16.63%</u>	<u>23.63%</u>	<u>25.06%</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability (Asset) as a percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes in Assumption

- In 2017, the post-retirement mortality tables were changed from 2015 annuitant tables to 2017 annuitant tables
- In 2019, the interest rate changed to 6.82% per annum compounded from 7.5% pre-retirement and 6.5% post retirement.
- In 2019, the post-retirement mortality tables were changed from 2017 IRS Static Mortality table to Scale MP-2018 PubG-2010 sex distinct mortality tables
- In 2021, the interest rate changed to 6.71% from 6.82%
- In 2021, the interest credit rate changed to 2% per annum from 4% per annum
- In 2021, the conversion rate changed to 3% per annum from 5% per annum
- In 2021, the form of payment assumption changed to assume 95% of participants take a lump sum payment and 5% take an annuity
- In 2021, the retirement assumption was updated to assume the active participants retire at age 65 and terminated vested participants take an immediate lump sum payment
- In 2021, the post-retirement mortality tables were changed from Scale MP-2018 PubG-2010 sex distinct mortality tables to Scale MP-2020 PubG-2010 sex distinct mortality tables
- In 2023, the interest rate changed to 6.56% from 6.71%
- In 2023, the post-retirement mortality tables were changed from Scale MP-2020 PubG-2010 sex distinct mortality tables to Scale MP-2021 PubG-2010 sex distinct mortality tables

DESERT HOSPITAL RETIREMENT PROTECTION PLAN
Schedule of Contributions- Last 10 Fiscal Years
As of June 30, 2023

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarially Determined Contribution	\$ -	\$ -	\$ 366,275	\$ 366,275	\$ 288,378
Contributions in Relation to the Actuarially Determined Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,275</u>	<u>\$ 366,275</u>	<u>\$ 288,378</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll					
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarially Determined Contribution	\$ 288,378	\$ 928,460	\$ 928,460	\$ 1,631,186	\$ 1,631,186
Contributions in Relation to the Actuarially Determined Contribution	-	3,400,000	-	-	-
Contribution Deficiency (Excess)	<u>\$ 288,378</u>	<u>\$ (2,471,540)</u>	<u>\$ 928,460</u>	<u>\$ 1,631,186</u>	<u>\$ 1,631,186</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll					

Notes to the Schedule

Changes in Assumptions

- In 2017, the post-retirement mortality tables were changed from 2015 annuitant tables to 2017 annuitant tables
- In 2019, the interest rate changed to 6.82% per annum compounded from 7.5% pre-retirement and 6.5% post retirement.
- In 2019, the post-retirement mortality tables were changed from 2017 IRS Static Mortality table to Scale MP-2018 PubG-2010 sex distinct mortality tables
- In 2021, the interest rate changed to 6.71% from 6.82%
- In 2021, the interest credit rate changed to 2% per annum from 4% per annum
- In 2021, the conversion rate changed to 3% per annum from 5% per annum
- In 2021, the form of payment assumption changed to assume 95% of participants take a lump sum payment and 5% take an annuity
- In 2021, the retirement assumption was updated to assume the active participants retire at age 65 and terminated vested participants take an immediate lump sum payment
- In 2021, the post-retirement mortality tables were changed from Scale MP-2018 PubG-2010 sex distinct mortality tables to Scale MP-2020 PubG-2010 sex distinct mortality tables
- In 2023, the interest rate changed to 6.56% from 6.71%
- In 2023, the post-retirement mortality tables were changed from Scale MP-2020 PubG-2010 sex distinct mortality tables to Scale MP-2021 PubG-2010 sex distinct mortality tables

DESERT HEALTHCARE FOUNDATION
PALM SPRINGS, CALIFORNIA
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
JUNE 30, 2023

DESERT HEALTHCARE FOUNDATION

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report.....	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES
9465 WILSHIRE BLVD., 3RD FLOOR
BEVERLY HILLS, CA 90212
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES
5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management

Desert Healthcare Foundation
1140 North Indian Canyon Drive
Palm Springs, CA 92262

Opinion

We have audited the accompanying financial statements of Desert Healthcare Foundation (the Foundation) (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023, and the changes in net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing*

Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

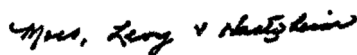
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2023, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

The previous auditors have audited Foundation's financial statements as of and for the fiscal year ended June 30, 2022, and expressed an unmodified audit opinion on those audited financial statements in their report dated November 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Moss, Levy & Hartzheim, LLP
Culver City, CA
September 8, 2023

DESERT HEALTHCARE FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022

	Totals	
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 479,488	\$ 516,636
Grants receivable	183,530	2,217,209
Prepaid expenses	6,747	3,000
Accrued interest and dividend receivable	14,345	-
	<hr/>	<hr/>
Total current assets	684,110	2,736,845
	<hr/>	<hr/>
OTHER ASSETS		
Contributions receivable - charitable remainder trusts	196,140	188,389
Investments	4,429,454	4,181,156
Total other assets	4,625,594	4,369,545
	<hr/>	<hr/>
TOTAL ASSETS	\$ 5,309,704	\$ 7,106,390
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities:		
Accounts payable and accrued payroll	\$ 21,965	\$ 12,973
Grants payable - current	1,741,281	795,028
Total current liabilities	1,763,246	808,001
	<hr/>	<hr/>
Long-term liabilities:		
Grants payable - long-term	-	200,000
Total long-term liabilities	-	200,000
	<hr/>	<hr/>
Total liabilities	1,763,246	1,008,001
	<hr/>	<hr/>
NET ASSETS		
Without donor restrictions	452,164	399,057
Without donor restrictions- Board designated	1,544,156	1,544,156
With donor restrictions	1,550,138	4,155,176
	<hr/>	<hr/>
Total net assets	3,546,458	6,098,389
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 5,309,704	\$ 7,106,390
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
REVENUES AND GAINS				
Contributions	\$ 219,714	\$ -	\$ 219,714	\$ 40,275
Grants	935,828	-	935,828	2,168,605
Bequests	57,520	-	57,520	57,080
Interest and dividends	114,841	-	114,841	138,889
Investment gains (losses)	190,543	-	190,543	(498,074)
Change in value - charitable trusts	-	7,751	7,751	(12,420)
Assets released from restrictions	2,612,788	(2,612,788)	-	-
Total revenues and gains	4,131,234	(2,605,037)	1,526,197	1,894,355
EXPENSES				
Program services	3,379,746	-	3,379,746	1,317,894
Management and general	698,382	-	698,382	565,599
Total expenses	4,078,128	-	4,078,128	1,883,493
INCREASE (DECREASE) IN NET ASSETS	53,106	(2,605,037)	(2,551,931)	10,862
NET ASSETS, BEGINNING OF FISCAL YEAR	1,943,213	4,155,176	6,098,389	6,142,988
PRIOR YEAR RESTATEMENT	-	-	-	(55,461)
NET ASSETS, BEGINNING OF FISCAL YEAR, RESTATED	1,943,213	4,155,176	6,098,389	6,087,527
NET ASSETS, END OF FISCAL YEAR	\$ 1,996,319	\$ 1,550,139	\$ 3,546,458	\$ 6,098,389

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Totals	
			2023	2022
Grants and social services	\$ 3,379,746	\$ -	\$ 3,379,746	\$ 1,317,894
Management and general expenses	-	698,382	698,382	565,599
TOTAL FUNCTIONAL EXPENSES	\$ 3,379,746	\$ 698,382	\$ 4,078,128	\$ 1,883,493

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (2,551,931)	\$ 10,862
Adjustments to reconcile increase (decrease) in net position to net cash provided (used) by operating activities:		
(Gains) losses on investments	(190,543)	498,074
Increase (decrease) in operating assets:		
Grants receivable	2,033,679	(1,094,709)
Prepaid expenses	(3,747)	(500)
Contributions receivable	(7,751)	12,420
Accrued interest and dividends	(14,345)	17,221
Increase (decrease) in operating liabilities:		
Accounts payable	8,992	(131,981)
Grants payable	746,253	(1,026,562)
Net cash provided (used) by operating activities	<u>20,607</u>	<u>(1,715,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment purchases	(1,001,327)	(1,455,823)
Proceeds from the sale of investments	<u>943,572</u>	<u>2,339,011</u>
Net cash provided (used) by investing activities	<u>(57,755)</u>	<u>883,188</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(37,148)	(831,987)
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>516,636</u>	<u>1,348,623</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 479,488</u>	<u>\$ 516,636</u>

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Desert Healthcare Foundation (Foundation), a not-for-profit organization, is a health and welfare organization created to identify the health care needs of the Desert Healthcare District (District) and to work toward treating those needs through various programs and services. The Foundation is a component unit of the District due to the nature and significance of their relationship with the District. The Foundation operates primarily in the Coachella Valley area of Southern California and, as such, is subject to market conditions, which could affect charitable giving and the realization of recorded asset values at various times.

Basis of Accounting

The Foundation uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Financial Statement Presentation

The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the Foundation adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements for Not-for-Profit Entities. In addition, the Foundation is required to present a statement of cash flows and a statement of functional expenses. Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation’s board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets Without Donor Restrictions – Board Designated: These funds represent all resources over which the Board of Directors has discretionary control for use in operating the Foundation. The Board of Directors designated funds were \$1,544,156 and \$1,544,156 as of June 30, 2023 and 2022, respectively.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Foundation has net assets with donor restrictions of \$1,550,139 and \$4,155,176 at June 30, 2023 and 2022, respectively.

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Facilities and Services

The District has provided to the Foundation the use of its office facilities at no charge. The value of the on-site facilities is not reflected in these statements, as they do not meet the criteria for recognition. For the fiscal year ended June 30, 2023 the District allocated to the Foundation \$825,502 related to personnel charges. See Note 8 for more details.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net position released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

Investments are stated at fair value. Realized and unrealized gains and losses on investments are recognized as changes in net assets in the periods in which they occur.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), and from California franchise taxes under related state tax regulations and classified by the Internal Revenue Service as other than a private foundation. The Foundation may be subject to tax on income from any unrelated business operations. The Foundation does not currently have any unrelated business operations. The Federal and State income tax returns are subject to examination over three and four years, respectively.

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the prior year, from which the summarized information was derived.

Leases

The Foundation has adopted FASB ASC Topic 842, *Leases*, with a date of initial application of July 1, 2022. For leases with a lease term greater than one year, the Foundation recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Foundation determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-to-use assets, current portion operating lease liabilities, and operating lease liabilities, net of current portion in the Foundation's balance sheet at June 30, 2023. Operating lease right-to-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Foundation uses a risk-free rate of a period comparable with that of the lease term. The Foundation considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Foundation is reasonably certain to exercise the option, (2) terminate the lease if the Foundation is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor. The Foundation had no leases as described in FASB ASC 842 as of June 30, 2023.

New Accounting Pronouncement

Effective July 1, 2022, the Foundation adopted the provisions of FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this Update apply to nonprofit organizations that receive contributed nonfinancial assets (also referred to as gifts-in-kind) and address presentation and disclosure of those contributed nonfinancial assets. The term "nonfinancial assets" include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials, supplies, intangible assets, cryptocurrency, services, and unconditional promises of those assets. Under ASU 2020-07, organizations must present gifts-in-kind as a separate line item in the statement of activities, apart from gifts of cash and other financial assets. In addition to this presentation requirement, the gifts-in-kind must be further broken down into categories (fixed assets, supplies, contributed services, etc.) in the notes to the financial statements. For each category of contributed nonfinancial asset recognized in the financial statements, further footnote disclosures are required under the ASU, including whether the gifts-in-kind were sold or used, among other disclosures. The provisions of ASU 2020-07 must be applied on a retrospective basis (meaning that all periods presented in comparative financial statements must reflect the requirements of the new standard). Adoption of this standard had no effect on the Foundation for the fiscal year ended June 30, 2023.

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2022

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023.

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and investments	\$ 479,488	\$ 516,636
Investments	4,429,454	4,181,156
Grants receivable	183,530	2,217,209
Accrued interest and dividend receivable	14,345	-
Contributions receivable - CRT	<u>196,140</u>	<u>188,389</u>
Total financial assets	5,302,957	7,103,390
Less financial assets held to meet donor-imposed restrictions:		
Donor-restricted funds (Note 7)	(1,550,138)	(4,155,176)
Board-designated funds (Note 1)	(1,544,156)	(1,544,156)
Interest in charitable remainder trust (Note 5)	<u>(196,140)</u>	<u>(188,389)</u>
Amount available for general expenditures within one year	<u>\$ 2,012,523</u>	<u>\$ 1,215,669</u>

The above table reflects donor-restricted and board-designated funds as unavailable because it is the Foundation's intention to invest resources for the long-term support of the organization. However, in the case of need, the Board of Directors could appropriate resources from the purpose-restricted funds available for general use. As part of the Foundation's liquidity management plan, they invest cash in excess of daily requirements in short-term investments (Note 3).

3. CASH AND INVESTMENTS

Demand Deposits

The carrying amounts, at June 30, 2023, of the Foundation's cash on hand was \$207, cash deposits was \$360,890, and money market funds were \$118,391. Bank balances were \$476,360 at June 30, 2023. Occasionally, the Foundation's cash balance in banks exceeds the Federal Deposit Insurance Corporation's insurance limits.

Investments

At June 30, 2023, investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Corporate bonds	\$ 1,259,479	\$ 1,152,794	\$ (106,685)
U.S. Treasury notes	765,870	654,290	(111,580)
Marketable securities	<u>2,031,124</u>	<u>2,622,370</u>	<u>591,246</u>
Total Investments	<u>\$ 4,056,473</u>	<u>\$ 4,429,454</u>	<u>\$ 372,981</u>

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2022

3. CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

At June 30, 2022, investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Corporate bonds	\$ 1,353,521	\$ 1,264,440	\$ (89,081)
U.S. Treasury notes	639,060	563,611	(75,449)
Marketable securities	<u>1,879,958</u>	<u>2,353,105</u>	<u>473,147</u>
Total Investments	<u>\$ 3,872,539</u>	<u>\$ 4,181,156</u>	<u>\$ 308,617</u>

4. FAIR VALUE MEASUREMENTS

The Foundation applies Generally Accepted Accounting Principles (US GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis.

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

At June 30, 2023, all investments are measured at fair value on a recurring basis and were valued at Level 1 inputs (quoted prices in active markets for identical assets). Fair value for investments at June 30, 2023 was \$4,429,454. (See Note 3)

5. CHARITABLE REMAINDER TRUSTS

The Foundation was named beneficiary to two additional charitable remainder unitrusts (whose trustees are someone other than the Foundation), all of which are recorded at fair value. The balances at June 30, 2023 and 2022 amounted to \$196,140 and \$188,389, respectively, and the general terms of the two trusts are as follows:

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2022

5. CHARITABLE REMAINDER TRUSTS (CONTINUED)

Trust 4 (dated October 3, 1989): The lesser of the trust income or 8% of the net fair market value of trust assets is to be distributed to the life beneficiary annually. Upon the death of the life beneficiary, 50% of the principal and income not required to have been distributed to the life beneficiary shall become the property of the Foundation, to be used for cancer treatment, or for general purposes if a cure for cancer has been found. At December 31, 2023, which is the most current information available, the estimated present value of future cash flows was \$126,022.

Trust 7 (dated May 17, 1990): 8.5% of the net fair market value of trust assets is to be distributed to the life beneficiary annually. Upon the death of the life beneficiary, all of the principal and income not required to have been distributed to the life beneficiary shall become the property of the Foundation, to be used for general purposes. The estimated present value of future cash flows at June 30, 2023 was \$70,118.

6. GRANTS PAYABLE

Grants payable consisted of the following for the fiscal year ended June 30:

	<u>2023</u>	<u>2022</u>
<u>Grants</u>		
Improving Healthcare Access in Black Communities	\$ 423,971	\$ 610,000
Avery Trust - Pulmonary	47,000	189,337
West Valley Homelessness Initiative	-	22,500
Behavioral Health Initiative Collective Fund	<u>1,137,201</u>	<u>-</u>
	<u>1,608,172</u>	<u>821,837</u>
 <u>COVID-19 Related Grants</u>		
Lideres Campesinas	-	35,000
El Sol Neighborhood Education Center	23,493	40,305
Todec Legal Center	11,752	48,688
Alianza Coachella Valley	11,275	6,901
Vision Y Compromiso	54,630	-
Youth Leadership Institute	6,808	5,153
Galilee Center	<u>23,008</u>	<u>37,144</u>
	<u>130,966</u>	<u>173,191</u>
 <u>Other Pass-Through Grants</u>		
ABC Recovery	<u>2,143</u>	<u>-</u>
	<u>2,143</u>	<u>-</u>
 Total Grants Payable	<u>\$ 1,741,281</u>	<u>\$ 995,028</u>
 Grants payable- current	1,741,281	795,028
Grants payable- long-term	-	200,000
	<u>\$ 1,741,281</u>	<u>\$ 995,028</u>

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED JUNE 30, 2022

7. NET ASSETS – WITH DONOR RESTRICTIONS

Donor restricted net assets consist for the following purposes as of June 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Behavioral Health Initiative Collective Fund	\$ 795,702	\$ 3,297,169
Avery Trust- Pulmonary Services	485,243	530,944
West Valley Homelessness Initiative	71,557	71,557
Health Portal	1,496	67,117
Charitable Remainder Trust	<u>126,022</u>	<u>126,022</u>
	<u>1,480,020</u>	<u>4,092,809</u>
Subject to the passage of time:		
Charitable Remainder Trust	<u>70,118</u>	<u>62,367</u>
	<u>70,118</u>	<u>62,367</u>
Net Assets - with donor restrictions	<u>\$ 1,550,138</u>	<u>\$ 4,155,176</u>

8. RELATED PARTY TRANSACTIONS

The Foundation and the Desert Healthcare District are related parties. The Foundation is organized to provide health and welfare assistance to Coachella Valley residents in need. During the fiscal year ended June 30, 2023, the District provided the Foundation with personnel services in the amount of \$650,785, of which \$461,070 is included in management and general expenses and \$189,715 is included in grants and social services expenses.

In 2020, the Desert Healthcare Foundation created the Coachella Valley Equity Collaborative (CVEC), a group of community-based organizations (CBOs). The Foundation is the recipient of external grant funds directly related to COVID-19 testing, vaccinations, and community education. The Foundation awards grants to the CBOs, directly and indirectly through other grantees. The Foundation CEO's wife, is the associate director of one of the CBO's, Vision y Compromiso. At June 30, 2023 and 2022, total grants awarded to Vision y Compromiso were \$572,000 and \$0, respectively. Total grant funds expended to Vision y Compromiso for the year ended June 30, 2023 and 2022 amounted to \$54,630 and \$130,000, respectively.

9. SUBSEQUENT EVENTS

The Foundation evaluated all potential subsequent events as of September 8, 2023 when the financial statements were authorized and available to be issued. No subsequent events or transactions were identified after June 30, 2023 or as of September 8, 2023 that require disclosure to the financial statements.



Date: October 24, 2023

To: Board of Directors

Subject: Grant # 1412 DPMG Health

Grant Request: DPMG Health Community Medicine

Amount Requested: \$1,057,396.00

This request is contingent upon the District's receipt of clean audited financial statements.

Project Period: 11/01/2023 to 10/31/2025

DPMG Health was founded in October 2020 as a not-for-profit health care organization with the mission to sponsor, advance, and provide charitable health care community outreach to those most vulnerable within the Coachella Valley, including the homeless, and develop the platform for graduate medical education, including medically related research. DPMG utilizes their Health's network of diverse primary care and specialty physicians, pharmacists, and allied health providers to reach patients in urban, rural, and select community settings, with a focus on areas of need and difficulties with healthcare access. The group offers care for a full-range of medical services, including primary care, urgent care, women's and prenatal care, pediatrics, outpatient procedures, inpatient hospital care, street medicine outreach care, immunizations, preventive screenings, HIV and STI testing, health education, pharmaceutical assistance, mental health and social services.

Through the first mobile medical unit, acquired through the Desert Healthcare District, DPMG has provided a variety of services, including medical services for chronic medical conditions, preventative care, outpatient procedures, wound care, and vaccinations for our youth. By utilizing the mobile unit, they are able to see patients where they are located not only during normal business hours but also at times, outside of normal business hours and during weekends. Over the last year, DPMG has identified missed opportunities and gaps in the services they could provide, such as medications, vaccines, mental health, and environmental health. With that, this request is three-fold and addresses the operation of the Desert Healthcare District's acquired second mobile unit.



The proposal requests District funds to purchase a truck to pull the second mobile unit, funding to support the operating costs, and third to assist in the acquisition of a clinical location that will serve as their medical home for the mobile units as well as establishing a pharmacy, order vaccinations, order labs, and provide telehealth and environmental screening services for the patients they serve.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Goal 3: Proactively expand community access to behavioral/mental health services

Strategy 2.3: Improve accessibility of primary and specialty care services by increasing available mobile health services in Coachella Valley (Priority: High)

Strategy 2.4: Improve accessibility of primary and specialty care services by increasing available telehealth services in Coachella Valley (Priority: High)

Strategy 3.4: Improve accessibility of behavioral/mental health services by increasing available telehealth services (Priority: High)

Geographic Area(s) To Be Served:

All areas

Action by Program Committee: (Please select one)

✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$1,057,396.00 be approved, *contingent upon the District's receipt of clean audited financial statements.*

Recommendation with modifications

Request for more information

Decline



Grant Application Summary

DPMG Health, Grant # 1412

About the Organization

DPMG Health
555 E Tachevah Dr., STE 2E-107
Palm Springs, CA 92262
254-563-5106

<https://www.dpmghealth.com/>

Tax ID #: 85-3624586

Primary Contact:

Tae Kim, CEO
951-743-2882
tae.kim@dpmghealth.com

Organization's Mission Statement and History

DPMG Health was founded in October 2020 as a not-for-profit health care organization with the mission to sponsor, advance, and provide charitable health care community outreach to those most vulnerable within the Coachella Valley, including the homeless, and develop the platform for graduate medical education, including medically related research.

Organization Annual Budget: \$1,420,000.00

Project Information

Project Title: DPMG Health Community Medicine

Start Date: 11/01/2023 **End Date:** 10/31/2025

Total Project Budget: \$1,421,217.00

Requested Amount: \$1,057,396.00

Community Need for this Project in the Coachella Valley:

The Coachella Valley has a diverse range of patient demographics and socioeconomic

classes. The need for access to healthcare in underserved communities is of utmost importance and should be a priority. Majority of hospitals and healthcare providers offices are located in the more densely populated areas, in the western part of the Coachella Valley, limiting access to those patients living in the eastern part of the Coachella Valley. In addition to limited access, patients living in the eastern valley, also have barriers such as lack of transportation and cost of healthcare. Approximately 15% of adults in the Coachella Valley are uninsured, according to the Community Health Needs Assessment of the Coachella Valley by the Desert Healthcare District and Foundation. In addition, roughly 18% of the Coachella Valley residents live below the poverty level; higher than the state average, according to the United States Census Bureau. There is a tremendous need for not only preventative care for all ages from pediatrics to geriatrics, but also obstetrics and mental health. As indicated by the community needs report commissioned by the Desert Healthcare District and Foundation, it is estimated that 19.4 incidents of suicide occur for every 100,000 people with approximately 7.9% having limited access to medications. These striking numbers are greater than the suicide rates in Riverside County, the State of California, and the United States and further demonstrate the need for mental health resources. Preventative medicine is also crucial for this vulnerable population. The DHCD's Community Health Needs Assessment states, approximately 50% of the population living in the eastern area of the Coachella Valley, aged between 50-75, have not been screened for colorectal cancer. The lack of preventative screening processes can lead to premature death. Vaccinations for children go hand-in-hand with preventative medicine. According to the California Department of Public Health and Riverside County Public Health, the rate of infant mortality in the United States is 5.9 deaths for every 1,000 births. Some ways to combat lowering the risk of infant mortality are pre-pregnancy and prenatal care, as well as, preventing preterm births and low birth weights. Prenatal care and management of the mother's chronic diseases can help lower the potential of preterm births and low birth weights. Also noted in the DHCD's Community Health Needs Assessment, it was noted that there were higher hospital utilization rates due to poor air quality-related conditions, specifically in communities with closer proximity to the Salton Sea. With access to pulmonary function testing to diagnose these patients appropriately for asthma, COPD, pulmonary fibrosis, etc., we will be able to start treatment, maintain exacerbations and decrease hospital utilization. Our project responds directly to break down these barriers and expand medical and mental health access to healthcare to all of the Coachella Valley.

Project Description and Use of District funds:

By utilizing DPMG Health's network of diverse primary care and specialty physicians, pharmacists, and allied health providers we are able to reach patients in urban, rural, and select community settings, with a focus on areas of need and difficulties with healthcare access. The group offers care for a full-range of medical services, including primary care, urgent care, women's and prenatal care, pediatrics, outpatient procedures, inpatient hospital care, street medicine outreach care, immunizations,

preventive screenings, HIV and STI testing, health education, pharmaceutical assistance, mental health and social services. Through the first mobile medical unit acquired through the Desert Healthcare District we have provided a variety of services, including medical services for chronic medical conditions, preventative care, outpatient procedures, wound care, and vaccinations for our youth. By utilizing the mobile unit, we are able to see patients where they are located not only during normal business hours but also at times, outside of normal business hours and during weekends. For the past year in evaluating our services through the mobile medical unit, we have identified missed opportunities and gaps in the services we could provide, such as medications, vaccines, mental health, and environmental health. For example, we were limited in the medications we could provide as we either had to purchase the medications at retail cost or rely on in-kind donations from the hospital. In addition, we were able to provide over 450 Tdap vaccinations to middle school students so that they can register for school. However, we were limited in that we had to purchase the vaccinations at full price (\$49-52/per vaccine), which is not sustainable in the long run. This grant request is three-fold and addresses the operation of a second mobile unit since acquired by the Desert Healthcare District. We are labeling this new opportunity for the utilization of said mobile unit as "Mobile Medical Unit 2". Our three-fold grant request and use of District funds is explained as follows:

- The second mobile medical unit is a trailer, not a complete unit as is the first mobile unit. This trailer will require a truck to pull it. We are requesting funds to purchase the truck as DPMG being a nonprofit organization we are able to purchase the truck at a reduced rate. Owning the truck outright (rather than the District purchasing it and allowing DPMG to use it) will allow us to manage and maintain the truck easier. We will also be able to insure the truck and the trailer together and we have been quoted a good bundled rate from Progressive Insurance Co. Additionally our funding request includes the costs of the maintenance of the truck, gas, insurance, repairs, etc. (Please see the budget for more detailed costs).
- The second part of this grant request is for the operating costs of the unit. The funding request includes outfitting the unit with the necessary supplies and medical equipment as well as covering the medical staff necessary to provide direct healthcare services to the populations mentioned above. (Please refer to Section 2 of the budget, listing the medical staff to be covered).
- Lastly, the third component of our request entails the acquisition of a clinical location that will serve as our medical home for the mobile units as well as establishing a pharmacy, order vaccinations, order labs, and provide telehealth and environmental screening services for the patients we serve. By having a free standing, bricks and mortar clinic we will be able to register the space location to also allow us to license the mobile medical trailer as a mobile pharmacy. And because we do not have an actual clinic site address, we are unable to

participate in programs such as VFC (Vaccine For Children) and DHCS (Department of Healthcare Services) Naloxone Distribution Project. Organizations such as these will not distribute vaccines or medications to us as they cannot ensure that the medications are being stored appropriately and maintained at the correct temperature. This is also the reason we will be partnering with Desert Outpatient Pharmacy to establish an official pharmacy at this clinic location so that we will be able to order medications and vaccinations for our patients at wholesale cost versus retail. As we cannot and should not store any medications on these units, the second mobile unit is necessary as the back of the new unit folds down so that we can roll the medication bins off and onto the unit easily and then transfer and store the medications at the clinic location (at room temperature or refrigerated) when the units are not in use.

In addition, by developing a self-standing clinic, it will provide a clinical site for our psychiatrist to provide tele-health, and also a clinical site to provide follow up visits for our patients seen through our mobile units as well as referrals from surrounding health care providers, such as Volunteers in Medicine, DAP Health and others. As one can imagine, our region is in dire need of psychiatrists, and the ability to have a psychiatrist come with us on our units to deliver care is not possible. We are excited to have psychiatrists already in place or committed that will be scheduled in our clinical space to provide telehealth for those patients seen on the mobile units. Finally, once a clinical site is established, we can begin the process for medical billing for those patients that are insured, which will assist our mobile units to become self-sustainable as they expand the services they provide. **The ability to bill and collect from those with insurance will ultimately allow us to become self-sustainable, which we anticipate will take about 2 years.**

From the educational perspective, the learning opportunities for our nursing students, pharmacy students, medical students and medical residents are invaluable. By having students and residents participate on the medical mobile units, they are able to truly understand their patients and the limited resources that are available for them. By having our residents bring healthcare services to the patients where they are, they have come to appreciate and understand the impact they are having in their patients' lives. When residents develop a love for the community they serve, they are likely to stay in this area after graduation, thereby, helping to address the physician shortage we are experiencing in the Valley and ultimately improve healthcare access for everyone.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Goal 3: Proactively expand community access to behavioral/mental health services

Strategy 2.3: Improve accessibility of primary and specialty care services by increasing available mobile health services in Coachella Valley (Priority: High)

Strategy 2.4: Improve accessibility of primary and specialty care services by increasing available telehealth services in Coachella Valley (Priority: High)

Strategy 3.4: Improve accessibility of behavioral/mental health services by increasing available telehealth services (Priority: High)

Project Deliverables and Evaluation

<p>Deliverable #1: By October 31, 2025, provide healthcare to at least 9,000 patients via the medical mobile unit. In addition to meeting this goal, we also plan to decrease ER visits, decrease gaps in services provided, and expand preventive services with access to pulmonary function tests and echocardiograms during school physicals.</p>	<p>Evaluation #1: The Case Manager for the team will audit the daily number of patient encounters, seen in person or via telehealth, using an electronic health record (EHR), MediFusion. In addition to daily monitoring, the Medical Director will review the current progress and patient encounter numbers on a biweekly basis. MediFusion EHR will also be used to regularly review patient charts, and ensure monitoring and documentation of patient care.</p>
<p>Deliverable #2: By October 31, 2025, complete at least 1,500 patient encounters via telehealth. We will have a psychiatrist located at our main hub site providing telebehavioral health services to those patients seen out on the field. Of those 1,500 patient encounters, at least 500 of them are telebehavioral/mental health services.</p>	<p>Evaluation #2: The Case Manager for the team will audit the daily number of patient encounters completed via telehealth, using an electronic health record (EHR), MediFusion. In addition to daily monitoring, the Medical Director will review the current progress and patient encounter numbers on a biweekly basis. MediFusion EHR will also be used to regularly review patient charts, and ensure monitoring and documentation of patient care.</p>
<p>Deliverable #3: By October 31, 2025, prescribe and dispense medications to at least 1,500 patients via the medical mobile unit.</p>	<p>Evaluation #3: The Pharmacist in charge will audit the daily number of prescriptions dispensed. In addition to daily monitoring, the Medical Director will review the current progress and</p>

	patient encounter numbers on a biweekly basis.
--	--

Project Demographic Information

Target Geographic Area(s) To Be Served:

All areas

Target Population Age Group:

0 to 5, 6 to 17, 18 to 24, 25 to 39, 40 to 54, 55 to 64, 65+

Target Population Ethnicity:

Hispanic/Latino (of any race)

Target Population Race:

American Indian and Alaska Native, Asian, Black or African American, Native Hawaiian and other Pacific Islander, White

Additional Target Population Information:

The target population we currently serve is all ethnicities and races. It is dependent on need and lack of healthcare access. We will continue to serve vulnerable populations and communities of need with this project. Thus far, we have provided services to the homeless, migrant farm workers, refugees seeking asylum, high school students and middle school students. We strive to provide and meet the healthcare needs for low socioeconomic status populations, independent of race, ethnicity, age, gender, religion, sexual orientation, gender identity, disability, and economic status.

Capacity, Sustainability, and Partnerships

Organizational Capacity

We were awarded a medical mobile van in October 2022 and have been very successful in providing healthcare services to those in need and lacking resources. DPMG Health includes a network of diverse primary care and specialty physicians, pharmacists, and allied health providers providing the internal expertise needed to provide these services. In addition, we have medical learners, including resident physicians, medical students, pharmacy students, and nursing students included in our team. By utilizing learners, we strive to teach the next generation of medical providers to serve the community with social responsibility to improve health, wellness, and access to healthcare.

Organizational Sustainability:

The development of a DPMG Health Community Medicine Medical Van Unit # 2, (and pairing collaboratively with Mobile Medical Unit #1) perfectly aligns with our mission to sponsor, advance, and provide charitable health care community outreach to those most vulnerable within the Coachella Valley, including the homeless, and develop the

platform for graduate medical education, including medically related research. Initial funding is from the in-kind donations received from community members, Song Brown Grants, along with grant funding provided from the DHCD. As we develop a hub for our operations, we will be able to establish a location for our telemedicine, laboratory and pharmacy. We will continue to work with IEHP to identify options for reimbursement of services through the patient's insurance when available. By having a clinical site established, we will have the opportunity to bill and collect for services provided when the patient has insurance. In doing so, **we will become self-sustainable, which we anticipate will take about 2 years.** With the proposed expansion of a medical home/hub, this will allow us to qualify to register for the Vaccine for Children (VFC) Program and the DHCS Naloxone Distribution Project allowing us to provide vaccinations to children and medications that can save lives. According to the CDC, vaccinating children born between 1994 and 2021 will prevent 29.8 million hospitalizations and help avoid approximately 1 million deaths. This hub will also aid in obtaining the network expansion fund from IEHP thereby bringing new physicians into the community to better serve the residents of the Coachella Valley.

Partnerships/Collaborations:

- Birth Choice of the Desert - provide patients needing prenatal and postnatal care
- California State University, San Bernardino Nursing Program - assistance with patient encounters by obtaining patient demographic information and vitals
- City of Palm Springs Homeless Outreach - assistance with organization of services to homeless encampment sites in Palm Springs
- Coachella Valley Unified School District - assistance with coordination of students for Tdap vaccinations and sports physicals
- Desert Care Network - assistance with medication supply to be dispensed to patients, funding of medical resident physicians, and the storage/parking of the medical mobile units
- Desert AIDS Project - assistance with patient outreach, drug testing supplies, and social services
- Desert Hospital Outpatient Pharmacy - assistance with vaccinations and vaccine supplies, and funding of Pharmacy Residents
- Desert Sands Unified School District - assistance with coordination of students for Tdap vaccinations and sports physicals
- Find Food Bank - assistance with food supplies and distribution to patients in need while we provide medical services

- Galilee Center - assistance with social services, shelter, food, and clothing for refugees seeking asylum and coordination of our medical services at their site of distribution
- Inland Empire Health Plan - assistance with insurance enrollment and social services
- Jewish Family Services of San Diego - assistance with patient outreach, housing information, behavioral/mental health services, and social services
- Martha's Clinic - assistance with food supplies and distribution to patients in need and shelter
- Our Lady of Guadalupe Church - assistance with food supplies and distribution to the homeless and coordination of our medical services at their site of distribution
- Palm Springs Police Department - assistance with patient outreach and safety
- Palm Springs Unified School District - assistance with coordination of students for Tdap vaccinations and sports physicals
- ALIANZA Promotoras - assistance with social services and Spanish language translation
- Vision y Compromiso Promotoras - assistance with social services and Spanish language translation
- CV Volunteers in Medicine - assistance with providing sites for continuity of care
- Western University of Health Sciences, School of Medicine - working with medical residents who can assist with obtaining patient demographic information, vitals, vaccine administration, and patient encounters
- Western University of Health Sciences, College of Pharmacy - working with pharmacy residents who can assist with obtaining patient demographic information, vitals, medication reconciliations, medication education and recommendations, and vaccine administration
- Keck Graduate Institute, School of Pharmacy and Health Sciences - working with pharmacy residents who can assist with obtaining patient demographic information, vitals, medication reconciliations, medication education and recommendations, and vaccine administration
- Marshall B. Ketchum University, College of Pharmacy - working with pharmacy residents who can assist with obtaining patient demographic information, vitals, medication reconciliations, medication education and recommendation and vaccine administration

- Desert Healthcare District - assistance in identification and coordination of future sites to provide medical assistance to vulnerable populations in need, along with bridging communication and collaboration efforts with other organizations for future events and services

Diversity, Equity, Inclusion, and Belonging (DEI)

How does your organization address DEI in your policies, strategic plan, board and staff, etc.?

DPMG Health is committed to ensuring and building a diverse and inclusive culture, where we promote and nurture a shared commitment to equity, excellence, innovation and social responsibility in order to advance our mission and foster these values to enhance healthcare access and education in the community. The residency program and its faculty are committed to the expansion of a multicultural physician workforce through accepting applicants with experiences or backgrounds as underrepresented minorities; providing training opportunities to the region's underserved; and retaining resident physicians to serve in this region.

What barriers does your organization face when addressing DEI?

A barrier that we face at certain events is communication barriers. Depending on which faculty, staff or learners we have assigned for an event, we may have difficulty in translating certain languages, such as Spanish, Farsi, French, Arabic, etc. Although we do have faculty and staff that speak each of these languages, they may not be assigned on a certain day where there may be a need for their translation abilities. Another potential bias is unconscious bias in regards to race, gender, sexual orientation, or socioeconomic status leading to stereotyping and judging. We have learning modules for faculty, staff and learners that provide education on the different types of unconscious bias to improve patient care and eliminate it as a workplace barrier to diversity.

Section 1 - Operational Expenses				
Project Grant Budget				
Applicant:		Tae Kim/DPMG Health DPMG Health Community Medicine		
OPERATIONAL EXPENSES		Total Project Budget	Funds From Other Sources Detail On Section 3	Amount Requested From DHCD/F
Total Staffing Expenses Detail on Section 2		\$ 942,297.60	\$ 313,600.00	\$ 628,697.60
Equipment (itemize)				
1	Electronic Medical Record System, POC Ultrasound, Transcutaneous Bilirubin Measurement, Portable Audiometer, AED, POC A1c, POC CBC, POC Lipid, POC HIV, POC STI, UA dipstick, urine pregnancy test, specimen cups, rapid strep test, rapid COVID test, rapid influenza test, fecal occult test kit peak flow meter	\$ 26,769.38	\$ -	\$ 26,769.38
2	Forceps, speculum w/ light (small, medium, large), otoscope, ophthalmoscope, stethoscopes (2), procedure kits, pen lights (2)	\$ 3,794.12	\$ -	\$ 3,794.12
3	Pulse Ox (peds and adults), scale and height measuring device, nebulizer, thermometer, sphygmomanometer (peds, adults, x-large), doppler	\$ 6,414.08	\$ -	\$ 6,414.08
4	6 inch folding tables (2), 6 folding chairs, vaccination/medication fridge, 3 lockable medication cart, 2 laptops, 2 tablets w/ keyboard, lighting (4), fan with misters (4)	\$ 19,123.00	\$ -	\$ 19,123.00
5	Spirometry equipment - medical pc spirometry system	\$ 2,411.75	\$ 241.17	\$ 2,170.58
6	Ndd Medical Easyone Pro single breath DLCO	\$ 28,010.00	\$ 2,801.00	\$ 25,209.00
7			\$ -	
8			\$ -	
Supplies (itemize)				
1	Medical Supplies	\$ 16,731.33	\$ 5,577.11	\$ 11,154.22
2	Medications (i.e. oral and injectables) (2 years)	\$ 90,000.00	\$ 30,000.00	\$ 60,000.00
3	Pharmaceutical Supplies (i.e. prescription label printer, labels, medication vials, 2 pill counting trays w/ spatulas)	\$ 5,356.67	\$ -	\$ 5,356.67
4	Vaccines and Vaccination Supplies (2 years)	\$ 82,948.07	\$ -	\$ 82,948.07
5	Office Supplies	\$ 2,754.00	\$ 1,054.00	\$ 1,700.00
6	Health Education Materials	\$ 779.00	\$ 279.00	\$ 500.00
7	Biohazard Wastes Bags, Sharps Containers	\$ 3,984.00	\$ 3,816.00	\$ 168.00
8	Storage Bins	\$ 199.96	\$ -	\$ 199.96
9	Uniforms	\$ 3,360.00	\$ 1,800.00	\$ 3,360.00
Printing / Duplication		\$ 3,600.00	\$ 2,000.00	\$ 1,600.00
Mailing / Postage		\$ 1,100.00	\$ 600.00	\$ 500.00
Mileage (use current Federal mileage rate) - 65.5 cents			\$ -	
Education / Training		\$ 5,000.00	\$ 2,500.00	\$ 2,500.00
Other Direct Project Expenses Not Described Above (itemize)				
1	Chevrolet Truck Silverado 1500 Crew RST 2WD	\$ 52,993.98	\$ -	\$ 52,993.98
2	Truck Bed Hard Cover	\$ 699.00	\$ -	\$ 699.00
3	Side Step	\$ 655.00	\$ -	\$ 655.00
4	Tow Mirrors	\$ 84.99	\$ -	\$ 84.99
5	Tow Hitch Receiver	\$ 50.64	\$ -	\$ 50.64
6	Tow Safety Chain	\$ 19.98	\$ -	\$ 19.98
7	Tow Hitch Lock	\$ 9.99	\$ -	\$ 9.99
8	Trailer Hitch Lock	\$ 8.99	\$ -	\$ 8.99
9	Tire Block	\$ 58.38	\$ -	\$ 58.38
10	Cleaning Services, Car Maintenance, Generator Maintenance, Tires, Misc/Accidental Repairs (2 years)	\$ 11,310.37	\$ -	\$ 11,310.37
11	Gas (2 years)	\$ 17,466.67	\$ -	\$ 17,466.67
12	Cleaning Supplies	\$ 876.67	\$ -	\$ 876.67
13	other supplies	\$ 8,200.00	\$ 820.00	\$ 7,380.00
14	Food, Drinks, Ice, cooler w/ wheels	\$ 5,333.33	\$ 533.33	\$ 4,800.00
* Items listed below are included for calculation of the total project budget only. For use of DHCD/F funds, these line items would be included in the allowable 15% indirect cost rate.				
Office / Rent / Mortgage*		\$ 53,856.00		\$ 53,856.00
Telephone / Fax / Internet*		\$ 5,760.00		\$ 5,760.00
Utilities*		\$ 19,200.00		\$ 19,200.00
Insurance*			\$ -	\$ -
Indirect Rate				0
Total Project Budget (Rounded up to nearest dollar)		\$ 1,421,217	\$ 365,622	\$ 1,057,396
Budget Narrative	Fully describe items above in this cell. You may insert rows or create additional worksheets if more space is needed to fully describe your budget.			
	Please see Operational Narrative Tab			

Operational Expenses**Scope of Purpose****EQUIPMENT**

Electronic Medical Record System, POC Ultrasound, Transcutaneous Bilirubin Measurement, Portable Audiometer, AED, POC A1c, POC CBC, POC Lipid, POC HIV, POC STI, UA dipstick, urine pregnancy test, specimen cups, rapid strep test, rapid COVID test, rapid influenza test, fecal occult test kit peak flow meter

With the following point-of-care screenings and laboratory exams, we will be able to help our patients by closing a major gap in services we noticed from our current medical mobile van unit. With this equipment, we foresee decreasing avoidable emergency room visits and the ability to improve our management of our patients.

Forceps, speculum w/ light (small, medium, large), otoscope, ophthalmoscope, stethoscopes (2), procedure kits, pen lights (2)

With the following equipment, we will be able to assist our patients by completing gynecological exams, listen to their heart and lungs, inspect their eyes and ears, and complete procedures that could reduce hospitalization utilization.

Pulse Ox (peds and adults), scale and height measuring device, nebulizer, thermometer, sphygmomanometer (peds, adults, x-large), doppler

With the following equipment, we will be able to assist our patients by monitoring the effect of air-quality conditions and ensuring patients with pulmonary conditions are on appropriate maintenance medications and the ability to receive rescue therapy if needed. We will be able to assess for venous thromboembolisms, hypertension and obesity.

6 inch folding tables (2), 6 folding chairs, vaccination/medication fridge, 3 lockable medication cart, 2 laptops, 2 tablets w/ keyboard, lighting (4), fan with misters (4)

With the following equipment, we will be able to prescribe, provide, and dispense appropriate medications safely to patients, including storing and administering vaccinations. By having medication carts with wheels, we will be able to safely transport the medications so that they can be stored at our hub.

Spirometry equipment - medical pc spirometry system

With the following equipment, we will be able to assist our patients by monitoring the effect of air-quality conditions and ensuring patients with pulmonary conditions are on appropriate maintenance medications.

Ndd Medical Easyone Pro single breath DLCO

With the following equipment, we will be able to attain complete pulmonary function testing and respiratory analysis, as well as, assist our patients by monitoring the effect of air-quality conditions and ensuring patients with pulmonary conditions are on appropriate maintenance medications.

SUPPLIES

Medical Supplies

With the appropriate medical supplies, we will be able to assist our patients a step further by breaking barriers of access to healthcare.

Medications

With access to a wide range of oral and injectable medications we will be able to help our patients manage acute and chronic conditions, which will also play a major role in decreasing emergency room and hospitalization utilizations.

Pharmaceutical Supplies

With the necessary pharmacy supplies, we will be able to dispense medications to patients to help treat acute and chronic conditions.

Vaccines and vaccination supplies

With access to vaccines, we will be able to help reduce the risk and prevent the spread of many diseases. We will also be able to administer vaccinations to underserved populations with low access to healthcare and other forms of preventative services.

Office Supplies

Tools needed for workflow and operation of clinic.

Health Education Materials

Materials printed to hand out to patients to help inform and educate the patients of the Coachella Valley.

Biohazard Waste Bags and Sharps Containers

Required for safe disposal of sharp objects and biohazard waste.

Storage Bins

Assist with organization of supplies and equipment.

Uniforms

Proper attire for mobile clinic and identification of medical staff and providers.

Other Direct Project Expenses

Chevrolet Truck Silverado 1500 Crew RST 2WD

This truck was selected due to the towing capacity and the ability to help transport staff to community medicine outreach events. The truck bed will be used to help transport items needed for the events. The towing package includes hitch guidance with view, trailer brake controller, surround vision, trailer side blind zone alert, rear cross traffic breaking, rear pedestrian alert, and a towing capacity of 9,500 pounds, which can tow the medical unit trailer.

Truck Bed Hard Cover

Required to protect items stored with truck bed to prevent theft.

Side Step

Required to enter and exit the vehicle for passenger safety.

Tow Mirrors

Required for trailer towing safety. Used to help view blind spots.

Tow Hitch Receiver

Required for trailer towing safety. Used to hitch trailer to truck.

Tow Safety Chain

Required for trailer towing safety. Used to hitch trailer to truck.

Tow Hitch Lock

Required for trailer towing safety. Used to hitch trailer to truck.

Tow Trailer Lock

Required for trailer towing safety. Used to hitch trailer to truck.

Tire Block

Required to prevent movement of trailer when parked.

Cleaning Services, Car Maintenance, Generator Maintenance, Tires, Misc/Accidental Repairs

Assist with maintenance and cleaning of truck and trailer.

Gas

Needed for transportation of mobile clinic

Cleaning Supplies

Assist with maintenance and cleaning of truck and trailer.

Food, Drinks, Ice, cooler w/ wheels

Food/ Drinks for staff

Office/Rent/Mortgage

2 year assistance to establish a medical home/hub for pharmacy medications, clinical care for tele-psychiatry and follow up for patients

Telephone/Fax/Internet

2 year assistance for telephone/fax/internet services for the medical hub

Utilities

2 year assistance for utilities (water, gas, electricity, etc.) for the medical hub

Section 2 - Itemized Expenses						
Staff Salary Expenses		Annual Salary	% of Time Allocated to Project	Total Project Salary	Amount Requested from DHCD/F	
Employee Position/Title						
1	Faculty Physician	\$ 249,500.00	50%	124,750.00	\$ 124,750.00	
2	Faculty Psychiatrist	\$ 329,000.00	50%	164,500.00	\$ 164,500.00	
3	Clinical Pharmacist Director	\$ 146,880.00	75%	110,160.00	\$ 110,160.00	
4	Pharmacy Technician	\$ 49,000.00	100%	49,000.00	\$ 46,000.00	
5	Clinical Staff	\$ 47,760.00	100%	47,760.00	\$ 45,760.00	
6	Resident 1	\$ 80,000.00	100%	80,000.00	\$ -	
7	Resident 2	\$ 80,000.00	100%	80,000.00	\$ -	
8	Resident 3	\$ 80,000.00	100%	80,000.00	\$ -	
Enter Total Employee Benefits / Employer Taxes % (Proportional Fringe Costs and/Or Employer Taxes Based On % Of Time Allocated To Project)			28.00%	206,127.60	137,527.60	
Total Will Populate In Total Staffing Expenses Section 1				Total >	\$ 942,297.60	\$ 628,697.60
Budget Narrative - Scope of Work	Please describe in detail the scope of work and duties for each employee on this grant. <i>Please see Staffing Narrative tab</i>					
Budget Narrative - Employee Benefits	Please describe in detail the employee benefits including the percentage and salary used for calculation. <i>Please see Staffing Narrative tab</i>					
Professional Services / Consultant Expenses		Hourly Rate	Hours/Week	Total Project Fee	Amount Requested from DHCD/F	
Company and Staff Title						
1	N/A					
2						
3						
4						
Total Will Populate in Total Staffing Expenses Section 1				Total >	\$ -	\$ -
Budget Narrative - Scope of Work	Please describe in detail the scope of work for each professional service/consultant on this grant.					

07.07.23

EMPLOYEE POSITION**SCOPE OF WORK**

Faculty Physician	<p>Total Project Salary = \$124,750 (0.5 FTE) Part-Time FM Faculty Attending Physicians whose time will consist of alternating appointed shifts and dates for staffing the Mobile Health Clinic and providing oversight over residents and medical students. This rate represents total of multiple part-time physicians, which is consistent with the DPMG personnel policies, and the rate set for this position.</p>
Faculty Psychiatrist	<p>Total Project Salary = \$164,500 (0.5 FTE) Part-Time Psychiatrist Faculty Attending Physicians whose time will consist of alternating appointed shifts and dates for staffing the Mobile Health Clinic and providing oversight over residents and medical students while providing tele-behavioral health services while the residents are seeing patients at the sites. This rate represents total of multiple part-time physicians, which is consistent with the DPMG personnel policies, and the rate set for this position.</p>
Clinical Pharmacist Director	<p>Total Project Salary = \$110,600 (0.75 FTE) Part-Time Clinical Pharmacist Attending Faculty whose time will consist of alternating appointed shifts and dates for staffing the Mobile Health Clinic and providing oversight over the pharmacy technician, pharmacy residents and students. In addition, the director will oversee all pharmaceutical supplies and will manage the pharmacy portion of the mobile unit, including oversight of the preparation and dispensing of medications.</p>
Pharmacy Technician	<p>Total Project Salary = \$49,000 (1.0 FTE) Full-Time Pharmacy Technician whose time will be spent with the pharmacy part of the mobile unit to prepare, dispense, process and order medications to maintain supplies.</p>
Clinical Staff	<p>Total Project Salary = \$47,760 (1.0 FTE) Full-Time Clinical Staff whose time will be spent transporting and maintaining the medical unit to designated sites. S(he) will be responsible for scheduling events, along with the set up, take down, and maintenance of the unit.</p>
Resident 1, 2, 3	<p>Total Project Salary = \$80,000 (1.0 FTE) x 3 Residents Full-Time Resident Physicians whose time will be spent providing medical care, including telehealth services, to patients while on the medical unit. Residents will alternate appointed shifts and dates for staffing the mobile unit. This rate represents their annual salary and benefits, which is consistent with the DRMC GME personnel policies, and the rate set for this position.</p>

Section 3 - Other Funding

**Funds From Other Sources (Actual Or Projected)
SPECIFIC To This Project**

"Total Funding In Addition To DHCD/F Request" Below Should Match Or Exceed Value Listed In Section 1 for "Funds from Other Sources".		Amount
Fees		
Donations		
Grants (List Organizations)		
1	Song Brown Healthcare Workforce Grant	\$ 225,000.00
2		
3		
8		
Fundraising (Describe Nature Of Fundraiser)		
1		
2		
3		
8		
Other Income, e.g., Bequests, Membership Dues, In-Kind Services, Investment Income, Fees From Other Agencies, Etc. (Itemize)		
1	DPMG In-Kind	\$ 115,000.00
2	DPMG In-Kind	\$ 1,111.11
3		
8		
Total Funding In Addition To DHCD/F Request		\$ 341,111.11
Budget Narrative	Please describe in detail any additional information or explanations for items listed above.	

Version 07.07.23 Please see instructions tab for additional information



Full Grant Application Scoring



SCORING PARAMETERS

0 TO 1 POINTS	Does Not Meet Expectations
2 TO 3 POINTS	Needs Improvement
4 TO 5 POINTS	Meets or Exceeds Expectations

Total Points Possible = 50 points

Grant Information			
Grant Number:	Organization:	Project Title:	Funding Request:
1412	DPMG Health	DPMG Health Community Medicine	\$1,057,396.00
Programmatic Scoring Review			
Community Need for the Project in Coachella Valley (5 points)	The applicant identifies and describes a specific need(s) for the project within the Coachella Valley by providing relevant, valid data that highlights the full scope of the need. The applicant clearly connects the community need to the project’s targeted population.		
Reviewer 1 - Score: 4.5	Reviewer 1 - Score Explanation: The applicant clearly defines the community need for mobile health services.		
Reviewer 2 - Score: 4	Reviewer 2 - Score Explanation: DPMG highlights the need for improved availability and accessibility of healthcare. Connecting the impact that the mobile unit and telehealth would have to directly reduce barriers would be helpful to understand the full scope of benefits of the proposed project.		
Reviewer 3 - Score: 5	Reviewer 3 - Score Explanation: DPMG Health proposal addresses an ongoing issue for District residents, which is access to quality medical and mental health services. Some District residents simply don’t have insurance and/or live in an medically underserved area. This proposal aims to increase access to address those barriers.		
Project Description and Use of Funds (5 points)	The applicant describes the scope of the project and how the organization will utilize the Desert Healthcare District’s funding. The applicant clearly states the approach they are going to take to		

	meet the community’s need and specifies how the success of this project directly relates to the District’s mission and current Strategic Plan.
Reviewer 1 - Score: 4.5	Reviewer 1 - Score Explanation: The applicant clearly defines the scope of the project and use of District funds. It meets the strategic plan goals and strategies.
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: DPMG describes the build off of the first mobile unit and the benefits the proposed mobile medical unit 2 would have on providing access to care. The application details out the three-fold grant request to explain how funds will be utilized.
Reviewer 3 - Score: 5	Reviewer 3 - Score Explanation: The grant proposal provided a very detailed project description and use of grant funds, which included the connection the DHCD mission and current strategic plan.
Alignment to District Goals, Strategies, and Performance Measures (5 points)	The applicant effectively describes the alignment of the project to the Desert Healthcare District and Foundation 2021-2026 Strategic Plan goals, strategies and performance measures.
Reviewer 1 - Score: 5	Reviewer 1 - Score Explanation: The project is in direct alignment with the District’s strategic plan goals and strategies (high priority – access to primary care and specialty care as well as access to behavioral health care)
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: DPMG identifies how the proposed project would align with the current Strategic Plan high priorities.
Reviewer 3 - Score: 5	Reviewer 3 - Score Explanation: The grant proposal aligns with a couple of DHCD Strategic Plan goals and strategies, which were described in the previous section.
Project Deliverables and Evaluation (5 points)	The applicant provides project deliverables that are specific, measurable, attainable, and time-bound. Project deliverables must align with at least one of the Desert Healthcare District and Foundation’s 2021-2026 Strategic Plan goals and a related strategy/strategies. Additionally, applicant clearly demonstrates the alignment of their project deliverables to the appropriate performance measures, as outlined in the application instructions. Each evaluation corresponds to a project deliverable. The evaluation accurately measures the project’s effectiveness, impact and includes appropriate qualitative and/or quantitative tracking methods. The evaluation section includes well-defined data reporting mechanisms and/or a clear and transparent narrative.

	<ul style="list-style-type: none"> • Evaluation measures and methods are clear; the applicant defines how they envision success. • Evaluation is in alignment with the deliverables of the project. • Evaluation is in alignment with identified Desert Healthcare District and Foundation’s 2021-2026 Strategic Plan goal(s), strategies, and performance measure(s). • An explanation is provided on how the data collected from the project will be utilized for future programming, partnerships, and/or funding.
<u>Reviewer 1 - Score:</u> 4.5	<u>Reviewer 1 - Score Explanation:</u> The deliverables are SMART and the evaluation of the deliverables is aligned.
<u>Reviewer 2 - Score:</u> 4.5	<u>Reviewer 2 - Score Explanation:</u> Deliverables and evaluation are clear and specifically show expected patient reach.
<u>Reviewer 3 - Score:</u> 4	<u>Reviewer 3 - Score Explanation:</u> The evaluation of the project deliverables and evaluation was detailed and met the requirements for this section, which included collecting demographic data and other information, along with describing the specific measurement tools.
Organizational Capacity (5 points)	The applicant details their organization’s capacity to meet the demands of this project including allocated staff time, internal expertise, organizational structure, etc. Applicant includes examples that demonstrate that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.). The applicant demonstrates reliability for this kind of work (strength, a history or track record of achievements, related mission, and letters of support).
<u>Reviewer 1 - Score:</u> 4	<u>Reviewer 1 - Score Explanation:</u> The applicant has the organizational capacity to meet the demands of this project.
<u>Reviewer 2 - Score:</u> 4	<u>Reviewer 2 - Score Explanation:</u> DPMG has been extremely successful in operating the first medical mobile unit and has learned that they need to increase their capacity to meet patient demand and are willing to take on the operations of a second unit. Additional details demonstrating allocated staff time to manage the unit would help to better understand overall capacity.
<u>Reviewer 3 - Score:</u> 4	<u>Reviewer 3 - Score Explanation:</u> The grant proposal provided detailed information on the staffing and resource allocation to ensure the medical mobile unit is deployed successfully.
Organization Sustainability (5 Points)	The application highlights their organization’s sustainability strategies around funding, staff recruitment/retention, effective collaboration and partnerships, thoughtful long-term planning, etc.
<u>Reviewer 1 - Score:</u> 3.5	<u>Reviewer 1 - Score Explanation:</u>

	<p>The applicant is a new 501 c 3 that has not yet developed a fund development plan and is relying on a large grant from the District. Suggest that in time the applicant takes advantage of capacity building support offered through NPO Centric.</p> <p>However, the applicant anticipates being sustainable after two years by having the opportunity, through the free standing clinic, to bill and collect for services provided when the patient has insurance.</p>
<p>Reviewer 2 - Score: 4.5</p>	<p>Reviewer 2 - Score Explanation: DPMG has a plan and is working to take the necessary steps to become self-sustainable.</p>
<p>Reviewer 3 - Score: 5</p>	<p>Reviewer 3 - Score Explanation: DMPG Health states the medical mobile unit will be sustainable after two years and will be able to increase resource allocation due the proposed model.</p>
<p>Partnerships/Collaborations (5 Points)</p>	<p>The application demonstrates a collaborative process that includes multiple community partners involved in planning and implementation. Organizational partners are listed and each of their roles in the project are outlined. Letters of support and/or memorandums of understanding are included, as appropriate.</p>
<p>Reviewer 1 - Score: 5</p>	<p>Reviewer 1 - Score Explanation: The applicant has many collaborative partners that work together to offer medical and behavioral health services to the populations served by the mobile unit and soon-to-be free standing clinic.</p>
<p>Reviewer 2 - Score: 4.5</p>	<p>Reviewer 2 - Score Explanation: DPMG collaborates with a diverse group of stakeholders across the Coachella Valley.</p>
<p>Reviewer 3 - Score: 5</p>	<p>Reviewer 3 - Score Explanation: The grant proposal does list healthcare providers, faith-based, community-based organizations, school districts as partners, along with local homeless shelters and substance abuse service providers.</p>
<p>Budget (5 points)</p>	<p>The budget is specific and reasonable, and all items align with the described project. The proposed budget is accurate, cost-effective, and linked to activities and deliverables.</p> <ul style="list-style-type: none"> • There are no unexplained amounts. • The overall significance of the project, including the relationship between benefits and/or participants to the programmatic costs are reasonable. • All line items are identified clearly in the budget narrative. • The budget shows committed, in-kind, or other funds that have been identified, secured, and in place to support the project.
<p>Reviewer 1 - Score: 4</p>	<p>Reviewer 1 - Score Explanation: The two year budget reflects 75% of the requested amount.</p>

<u>Reviewer 2 - Score:</u> 4.5	<u>Reviewer 2 - Score Explanation:</u> DPMG provides extensive narrative on their operational and staff expenses but there is no explanation on the other funding section.
<u>Reviewer 3 - Score:</u> 4	<u>Reviewer 3 - Score Explanation:</u> The grant proposal budget is adequate and in line with the proposed deliverables
Fiscal Scoring Review	
Fiduciary Compliance (5 Points)	The applicant demonstrates a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financial statements produced in a timely fashion, positive cash flow at the end of each fiscal year, asset ratio meets required debt load, and the Board reviews financial statements regularly.
<u>Reviewer 1 - Score:</u> 3.5	<u>Reviewer 1 - Score Explanation:</u> No audited financials provided, but they are in process and will be provided before final grant approval. Financial reports which were provided show positive net income in comparison to expenses. Financial statements were presented to the Board.
<u>Reviewer 2 - Score:</u> 3.5	<u>Reviewer 2 - Score Explanation:</u> An audit is currently underway for the first year, which includes \$50,000 of operational revenue, with anticipated completion by early November. The grant approval will be contingent upon successful completion of the audit. Grantee will be responsible for future annual audits. Internal financial statements, as of 08/31/23, shows an increase in Net Assets of \$473k and cash in the bank of \$472k.
Financial Stability (5 Points)	Funding sources for operations and programs are from multiple sources and are driven by a strategic plan for stability for both short- and long-term growth. If a strategic plan does not exist, other documentation is presented to identify future sources of funding. The requested grant amount is reasonable in comparison to the overall organizational budget.
<u>Reviewer 1 - Score:</u> 4	<u>Reviewer 1 - Score Explanation:</u> Strategic plan presented but does not give detail on specifics for short and long-term growth. The requested grant amount is large in comparison to the overall organizational budget, but the services provided are an extension of services sought by District with a RFP for the original Mobile Medical Unit. There are several sources of funding notated in organizational budget.
<u>Reviewer 2 - Score:</u> 4	<u>Reviewer 2 - Score Explanation:</u> Grantee is a year old organization and has been providing operational support for a current grant operating the District's first mobile medical unit. The program appears to be successful. Grantee presents a strategic plan. Grantee has diversified resources for this project of \$1.4M. The District's grant of \$1M is supported by other resources.

TOTAL SCORES - PROGRAMMATIC		TOTAL SCORES - FISCAL	
REVIEWER 1	35/40 POINTS = 87.5%	REVIEWER 1	7.5/10 POINTS = 75%
REVIEWER 2	36/40 POINTS = 90%	REVIEWER 2	7.5/10 POINTS = 75%
REVIEWER 3	37/40 POINTS = 92.5%	AVERAGE	7.5 POINTS = 75%
AVERAGE	36 POINTS = 90%		

Average Total Score: 43.5 / 50 = 87%

EXHIBIT B – Grant #1412

PAYMENT SCHEDULE, REQUIREMENTS & DELIVERABLES

Project Title
DPMG Health Community Medicine

Start/End
11/1/2023
10/31/2025

PAYMENTS:

Total request amount: up to \$1,057,396.

Payments will be made on a monthly reimbursable basis.

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Schedule Date	Grant Requirements for Payment	Reporting Period	Payment
11/1/23	Signed Agreement submitted & accepted		\$100,000.00 advance to draw down toward approved monthly reimbursed expenses
12/15/23	Monthly one page report, budget report and receipts submitted and accepted	11/01/23 -11/30/23	Reimbursed based on approved expenses
1/15/24	Monthly one page report, budget report and receipts submitted and accepted	12/01/23 -12/31/23	Reimbursed based on approved expenses
2/15/24	Monthly one page report, budget report and receipts submitted and accepted	1/01/24 - 1/31/24	Reimbursed based on approved expenses
3/15/24	Monthly one page report, budget report and receipts submitted and accepted	2/01/24 - 2/29/24	Reimbursed based on approved expenses
4/15/24	Monthly one page report, budget report and receipts submitted and accepted	3/01/24 - 3/31/24	Reimbursed based on approved expenses
5/01/24	First narrative progress report submitted through grant portal	11/01/23-3/31/24	\$0
5/15/24	Monthly one page report, budget report and receipts submitted and accepted	4/01/24 - 4/30/24	Reimbursed based on approved expenses
6/15/24	Monthly one page report, budget report and receipts submitted and	5/01/24 - 5/31/24	Reimbursed based on approved expenses

	accepted		
7/15/24	Monthly one page report, budget report and receipts submitted and accepted	6/01/24 - 6/30/24	Reimbursed based on approved expenses
8/15/24	Monthly one page report, budget report and receipts submitted and accepted	7/01/24 - 7/31/24	Reimbursed based on approved expenses
9/15/24	Monthly one page report, budget report and receipts submitted and accepted	8/01/24 - 8/31/24	Reimbursed based on approved expenses
10/15/24	Monthly one page report, budget report and receipts submitted and accepted	9/01/24 - 9/30/24	Reimbursed based on approved expenses
11/01/24	Second narrative progress report submitted through grant portal	4/01/24 - 9/30/24	\$0
11/15/24	Monthly one page report, budget report and receipts submitted and accepted	10/01/24 -10/31/24	Reimbursed based on approved expenses
12/15/24	Monthly one page report, budget report and receipts submitted and accepted	11/01/24 -11/30/24	Reimbursed based on approved expenses
1/15/25	Monthly one page report, budget report and receipts submitted and accepted	12/01/24 -12/31/24	Reimbursed based on approved expenses
2/15/25	Monthly one page report, budget report and receipts submitted and accepted	1/01/25 - 1/31/25	Reimbursed based on approved expenses
3/15/25	Monthly one page report, budget report and receipts submitted and accepted	2/01/25 - 2/28/25	Reimbursed based on approved expenses
4/15/25	Monthly one page report, budget report and receipts submitted and accepted	3/01/25 - 3/31/25	Reimbursed based on approved expenses
5/01/25	Third narrative progress report submitted through grant portal	10/01/24-3/31/25	\$0
5/15/25	Monthly one page report, budget report and receipts submitted and accepted	4/01/25 - 4/30/25	Reimbursed based on approved expenses
6/15/25	Monthly one page report, budget report and receipts submitted and accepted	5/01/25 - 5/31/25	Reimbursed based on approved expenses
7/15/25	Monthly one page report, budget report and receipts submitted and accepted	6/01/25 - 6/30/25	Reimbursed based on approved expenses

8/15/25	Monthly one page report, budget report and receipts submitted and accepted	7/01/25 - 7/31/25	Reimbursed based on approved expenses
9/15/25	Monthly one page report, budget report and receipts submitted and accepted	8/01/25 - 8/31/25	Reimbursed based on approved expenses
10/15/25	Monthly one page report, budget report and receipts submitted and accepted	9/01/25 - 9/30/25	Reimbursed based on approved expenses
11/15/25	Monthly one page report, budget report and receipts submitted and accepted	10/01/25 - 10/31/25	Reimbursed based on approved expenses
12/01/25	Fourth narrative progress report submitted through grant portal	4/01/25 - 10/31/25	\$0
12/15/25	Final report submitted through grant portal	11/01/23- 10/31/25	\$0

TOTAL GRANT AMOUNT: \$1,057,396.

DELIVERABLES:

Project Goals and Evaluation

<p>Deliverable #1: By October 31, 2025, provide healthcare to at least 9,000 patients via the medical mobile unit. In addition to meeting this goal, we also plan to decrease ER visits, decrease gaps in services provided, and expand preventive services with access to pulmonary function tests and echocardiograms during school physicals.</p>	<p>Evaluation #1: The Case Manager for the team will audit the daily number of patient encounters, seen in person or via telehealth, using an electronic health record (EHR), MediFusion. In addition to daily monitoring, the Medical Director will review the current progress and patient encounter numbers on a biweekly basis. MediFusion EHR will also be used to regularly review patient charts, and ensure monitoring and documentation of patient care.</p>
<p>Deliverable #2: By October 31, 2025, complete at least 1,500 patient encounters via telehealth. We will have a psychiatrist located at our main hub site providing telebehavioral health services to those patients seen out on the field. Of those 1,500</p>	<p>Evaluation #2: The Case Manager for the team will audit the daily number of patient encounters completed via telehealth, using an electronic health record (EHR), MediFusion. In addition to daily monitoring, the Medical Director will review the</p>

<p>patient encounters, at least 500 of them are telebehavioral/mental health services.</p>	<p>current progress and patient encounter numbers on a biweekly basis. MediFusion EHR will also be used to regularly review patient charts, and ensure monitoring and documentation of patient care.</p>
<p>Deliverable #3: By October 31, 2025, prescribe and dispense medications to at least 1,500 patients via the medical mobile unit.</p>	<p>Evaluation #3: The Pharmacist in charge will audit the daily number of prescriptions dispensed. In addition to daily monitoring, the Medical Director will review the current progress and patient encounter numbers on a biweekly basis.</p>

The Desert Healthcare District has implemented Results-Based Accountability (RBA) into their grantmaking process to streamline reporting and offer a straightforward approach to effectively measuring program-level performance.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Goal 3: Proactively expand community access to behavioral/mental health services

Strategy 2.3: Improve accessibility of primary and specialty care services by increasing available mobile health services in Coachella Valley (Priority: High)

Strategy 2.4: Improve accessibility of primary and specialty care services by increasing available telehealth services in Coachella Valley (Priority: High)

Strategy 3.4: Improve accessibility of behavioral/mental health services by increasing available telehealth services (Priority: High)

You have selected Strategy 2.3.

Your project deliverables need to capture the following performance measures.

- # of clients served by additional mobile health service access
- % of clients served by additional mobile health service access

You have selected Strategy 2.4.

Your project deliverables need to capture the following performance measures.

- # of additional telehealth visits
- # of clients served as a result of additional telehealth access
- % increase in services delivered

You have selected Strategy 3.4.

Your project deliverables need to capture the following performance measures.

- # of additional telehealth visits
- # of clients served as a result of additional telehealth access
- % increase in services delivered



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: October 24, 2023
To: Board of Directors
Subject: Lease Agreement – DPMG Health, Suite 1E-204

Staff Recommendation: Consideration to approve the draft lease agreement for DPMG Health. at the Las Palmas Medical Plaza.

Background:

- DPMG Health is a prospective new tenant at the medical plaza.
- DPMG operates the first mobile medical unit for the District.
- The District recently purchased a second mobile medical unit for purposes of prescription disbursement, telehealth, and other mobile medical related services.
- DPMG has applied for a 2-year, \$1,057,396 grant, which has been presented to the Program Committee on October 10, 2023, for consideration. The request includes the purchase of a pickup to pull the trailer and for a clinic.
- The program to operate the second unit requires a physical location for the pharmacy. Plus, the clinic will be used for tele-psychology to the mobile unit, as well as in-office patient visits.
- The lease term is (2) years at \$1.75 sq/ft.
- No annual increase.
- Tenant Improvement allowance is \$15/sf - \$13,200.
- At the October 11, 2023, Finance & Administrative Committee meeting, the Committee recommended forwarding the lease for consideration of approval by the full Board.
- Staff recommends approval of the lease agreement.
- Draft lease agreement is attached for review.

Fiscal Impact:

Estimated Revenue from Rent and CAMs for life of the base lease - \$53,856.
Estimated Cost of Tenant Improvement Allowance (\$15.00/sf) – \$13,200
Net Lease Income (base lease) - \$40,656.

OFFICE BUILDING LEASE

Between

**DESERT HEALTHCARE DISTRICT,
DOING BUSINESS AS LAS PALMAS MEDICAL PLAZA
AS LANDLORD**

And

**DPMG HEALTH
AS TENANT**

**DATED
NOVEMBER 1,2023**

Table of Contents

	Page
1. LEASE OF PREMISES.....	1
2. DEFINITIONS.....	1
3. EXHIBITS AND ADDENDA.....	2
4. DELIVERY OF POSSESSION.....	2
5. RENT.....	3
6. INTEREST AND LATE CHARGES.....	6
7. SECURITY DEPOSIT.....	6
8. TENANT’S USE OF THE PREMISES.....	6
9. SERVICES AND UTILITIES.....	7
10. CONDITION OF THE PREMISES.....	8
11. CONSTRUCTION, REPAIRS AND MAINTENANCE.....	8
12. ALTERATIONS AND ADDITIONS.....	9
13. LEASEHOLD IMPROVEMENTS; TENANT’S PROPERTY.....	10
14. RULES AND REGULATIONS.....	10
15. CERTAIN RIGHTS RESERVED BY LANDLORD.....	10
16. ASSIGNMENT AND SUBLETTING.....	11
17. HOLDING OVER.....	12
18. SURRENDER OF PREMISES.....	12
19. DESTRUCTION OR DAMAGE.....	12
20. EMINENT DOMAIN.....	13
21. INDEMNIFICATION.....	14
22. TENANT’S INSURANCE.....	14
23. WAIVER OF SUBROGATION.....	15
24. SUBORDINATION AND ATTORNMENT.....	15
25. TENANT ESTOPPEL CERTIFICATE.....	16
26. TRANSFER OF LANDLORD’S INTEREST.....	16

27. DEFAULT..... 16

28. BROKERAGE FEES. 18

29. NOTICES. 18

30. GOVERNMENT ENERGY OR UTILITY CONTROLS. 19

31. RELOCATION OF PREMISES..... 19

32. QUIET ENJOYMENT. 19

33. OBSERVANCE OF LAW. 19

34. FORCE MAJEURE..... 20

35. CURING TENANT’S DEFAULTS..... 20

36. SIGN CONTROL..... 20

37. MISCELLANEOUS..... 20

DRAFT

OFFICE BUILDING LEASE

This Lease between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as "Landlord", and DPMG Health, a 501(c)(3), hereinafter referred to as "Tenant", and is dated November 1, 2023.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2L. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

a. *Base Rent (Initial)*: \$Eighteen Thousand, Four Hundred Eighty & 00/100 (\$18,480.00) per year.

b. *Base Year*: The calendar year of November 1 to October 31.

c. *Broker(s)*:

Landlord's: N/A.

Tenant's: N/A.

In the event that N/A. represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.

d. *Commencement Date*: November 1, 2023.

e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.

f. *Expiration Date*: October 31, 2025, unless otherwise sooner terminated in accordance with the provisions of this Lease.

g. *Landlord's Mailing Address*: 1140 N. Indian Canyon Dr., Palm Springs, CA 92262.

Tenant's Mailing Address: 555 E. Tachevah Dr. 1E-204, Palm Springs, CA 92262.

h. *Monthly Installments of Base Rent (initial)*: \$One Thousand, Five Hundred Forty & 00/100 (\$1,540.00) per month.

i. *Project Operating Costs (CAMs)*: Currently Eighty Cents (\$0.80) per square foot per month.

j. *Tenant Improvement Allowance (TI)*: Fifteen Dollars (\$15.00) per square foot or Thirteen Thousand, Two Hundred & 00/100 (\$13,200.00).

1 _____ District _____ Recipient

- k. *Parking*: Tenant shall be permitted, to park 5 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 880 square feet of Rentable Area, located in Building 1E and known as Suite 204.
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 555 E. Tachevah Drive, Palm Springs, California 92262. The Project is known as The Las Palmas Medical Plaza.
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.
- o. *Security Deposit (Section 7)*: No security deposit will be required.
- p. *State*: The State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 1.78%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: Medically related office use consistent with and use the City may allow under the City of Palm Springs zoning, subject to Landlord's reasonable approval.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addenda*

*See Addendum attached hereto and by this reference made a part hereof.

4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the Commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession, "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Addendum. If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

5. RENT.

5.1 *Payment of Base Rent:* Tenant agrees to pay the base rent for the premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the term. If the term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

5.2 *Adjusted Base Rent:*

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date.

5.3 *Project Operating Costs (CAMs):*

- a. In order that the Rent payable during the Term reflect Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

(1.) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).

(a.) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably Approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b.) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including

without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenant); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

- (2.) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:
- (a.) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."
 - (b.) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.
 - (c.) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.
 - (d.) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.

- (e.) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).
- (f.) If this Lease sets forth an Expense Stop at Section 2f, then during the Term, Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3(2)(b) and (c) above.

5.4 *Definition of Rent:* The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

5.5 *Rent Control:* If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

5.6 *Taxes Payable by Tenant:* In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

5.7 *Tenant Improvement Allowance:* In recognition for Tenant completing all improvements to the premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a total Tenant improvement allowance not to exceed that set forth in Section 2j upon completion of agreed Tenant improvements. This allowance will be reimbursed to tenant upon satisfactory receipt of paid invoices and inspection by Property Management that work has been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work and shall be performed by a licensed General Contractor approved by Landlord in advance. Tenant shall submit plans and specifications for any and all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the tenant improvement work and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to prevailing wages and if construction costs exceed \$25,000, then the tenant improvements shall also be subject to California competitive bid statutes.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

7. SECURITY DEPOSIT.

Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer, or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

If Tenant fails to pay Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand, therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project, or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire,

extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefore on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (I) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord Promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of common area in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

II. CONSTRUCTION, REPAIRS AND MAINTENANCE.

- a. *Landlord's Obligations:* Landlord shall maintain in good order, condition, and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. *Tenant's Obligations:*
 - (1.) Tenant shall perform Tenant's Work to the Premises as described in an exhibit specific to Tenant Improvements, if applicable."
 - (2.) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition, and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.
 - (3.) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.
 - (4.) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.
- c. *Compliance with Law:* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

- d. *Waiver by Tenant*: Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.
- e. *Load and Equipment Limits*: Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.
- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.
- h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

- c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1.5) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and material men's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligations under Section 12b to keep the Premises, Building and Project free of all liens.
- d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements, and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit "D" and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project.

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant's use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, eluding Tenant's vaults and safes;

- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant's notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
 - (1.) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
 - (2.) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
 - (3.) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
 - (4.) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and
 - (5.) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
- d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
- e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.
- b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date, Tenant shall surrender all keys to the Premises.

19. DESTRUCTION OR DAMAGE.

- a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees, or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.
- b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.
- d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.
- e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

20. EMINENT DOMAIN.

- a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.
- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant,

however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.

- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on, or about the Premises from any cause.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

22. TENANT'S INSURANCE.

- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a

twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.

- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.
- d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or

- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1.) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2.) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3.) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus

(4.) *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any costs or expenses (including attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award@ as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum." The worth at the time of the award@ as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

28. BROKERAGE FEES.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Tenant shall indemnify and hold Landlord harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. RELOCATION OF PREMISES.

Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

- a. The new premises shall be substantially the same in size, dimension, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

34. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda:* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees:* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers:* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender:* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law:* This Lease shall be construed and enforced in accordance with the laws of the State of California.

- g. *Consent*: Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.
- h. *Corporate Authority*: If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.
- i. *Counterparts*: This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option*: The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.
- k. *Furnishing of Financial Statements; Tenant's Representations*: In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.
- l. *Further Assurances*: The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- m. *Mortgagee Protection*: Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- n. *Prior Agreements; Amendments*: This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
- o. *Recording*: Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.
- p. *Severability*: A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- q. *Successors and Assigns*: This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

- r. *Time of the Essence*: Time is of the essence of this Lease.
- s. *Waiver*: No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- t. *Compliance*: The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date:	_____	Date:	_____
Landlord:	<u>Desert Healthcare District</u>	Tenant:	_____
	<u>dba: Las Palmas Medical Plaza</u>		
By:	<u>Chris Christensen</u>	By:	_____
Signature:	_____	Signature:	_____
Title:	<u>Interim-CEO</u>	Title:	_____

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

EXHIBIT "A"

RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on entry door and directory shall be printed, painted, affixed, or inscribed at the expense of Landlord by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard interior window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators, and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable, or immoral purposes.
9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.
10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.
14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

Landlord's Initials

Tenant's Initials

ADDENDUM

Addendum to that certain Office Building Lease dated November 1, 2023, by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and DPMG Health, a 501(c)(3), as Tenant, for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

- 1. Commencement Date: November 1, 2023
- 2. Expiration Date: October 31, 2025
- 3. Rent Schedule:

11/01/2023 – 10/31/2024	\$1,540.00
11/01/2024 – 10/31/2025	\$1,540.00
- 4. CAMs: Currently \$0.80 per square foot.
- 5. Security Deposit: No security deposit will be required.

The foregoing is hereby agreed to and accepted:

Date: _____	Date: _____
Landlord: <u>Desert Healthcare District</u>	Tenant: _____
<u>dba: Las Palmas Medical Plaza</u>	
By: <u>Chris Christensen</u>	By: _____
Signature: _____	Signature: _____
Title: <u>Interim-CEO</u>	Title: _____

MOBILE HEALTHCARE UNIT OPERATING AGREEMENT

This Mobile Healthcare Unit Operating Agreement (“Agreement”) is entered into by and between Desert Healthcare District (“District”), a public agency organized and operating pursuant to California Health and Safety Code section 32000 et seq., and DPMG Health, a California nonprofit 501(c)3, (“DPMG”), as follows:

R-E-C-I-T-A-L-S

1. In August 2023, Coachella Valley Resource Conservation District (“CVRCD”) provided District with a \$140,000 grant towards the purchase of a second Mobile Healthcare Medical Unit, in specific, a Trailer, to provide additional healthcare and medical services, including filling medical prescriptions to underserved populations in Coachella Valley with an emphasis on agricultural farm workers and to further assist with current and future health demands within District boundaries.

2.. On July 26, 2023, District entered into an agreement with Magnum Mobile Specialty Vehicles to purchase a 25-foot Mobile Medical Trailer for a purchase price of \$137,850. A copy of the diagram of the Mobile Medical Trailer is attached hereto as Exhibit “A” and incorporated herein by reference.

4. DMPG is qualified to license and operate Mobile Healthcare Units in accordance with California law and offers care for a full range of medical services via a network of diverse primary and specialty physicians to reach patients in urban, rural, and select community settings, with a focus on areas of need and difficulties with healthcare access, necessary to provide the healthcare services.

5. District and DMPG desire to enter into an agreement in which District allows DMPG to use and operate the Mobile Medical Trailer in consideration of DMPG obtaining and complying with all California license requirements, all federal, state, and local laws and regulations, and complying with all other terms and conditions of this Agreement.

C-O-V-E-N-A-N-T-S

1. USE OF UNIT AND TERM OF AGREEMENT

1.1 District agrees to allow DPMG to use and operate the Mobile Medical Trailer for an initial term of two (2) years from the “Commencement Date” as defined in Section 8.7 below provided DPMG is in compliance with the terms and conditions of this Agreement. District and DPMG shall have the right to mutually agree to extend this Agreement in 2-year extensions for up to 4 extensions.

1.2 District shall have the right to terminate this Agreement upon sixty (60) days written notice to DPMG for DPMG’s material breach of the terms and conditions of this Agreement. Upon receipt of written notice of the alleged breach and the intended

remedy, DPMG shall promptly and diligently commence curing the default and have a reasonable period of time in light of the circumstances (not to exceed 60-days) to complete the cure or contest the default.

2. DISTRICT SUPPORT

2.1 During the 2-year term of this Agreement and provided DPMG is in compliance with all Mobile Healthcare Unit licensing requirements, the terms and conditions of this Agreement, and the terms and conditions of the attached Grant Agreement, DPMG shall be eligible for a grant of up to \$1,057,396.00 as provided in Exhibit “C” of the Grant Agreement.

3. DPMG OBLIGATIONS

3.1 DPMG agrees to apply for, pay, and maintain all necessary licenses for the use and operation of the Mobile Medical Trailer and provide medical, diagnostic, and services, including prescribing and dispensing medications, in order to help ensure the availability of quality health care services for patients who receive care in remote or underserved areas and for patients in Coachella Valley who need specialized types of medical care provided in a cost-effective way.

3.2 DPMG agrees to provide all labor, materials, equipment, and incidentals necessary to provide the medical, diagnostic, and health care services including prescribing and dispensing medications as described in the DPMG’s Grant Application, which is attached hereto as Exhibit “B” and incorporated herein by reference and shall prioritize providing services to agricultural farm workers in the Coachella Valley.

3.3 DPMG shall, at all times, comply with all applicable laws, rules, regulations, codes, ordinances, and orders of every kind whatsoever issued, adopted, or enacted by any state, federal, and local governments. Such regulations shall include having written policies that govern the Mobile Healthcare Unit services related to patient care, personnel training and orientation, and evaluation of the services provided by the mobile unit.

3.4 DPMG shall be solely responsible for maintaining the Mobile Medical Trailer in good working condition and shall be solely responsible for the costs of all repairs and maintenance.

4. INDEPENDENT CONTRACTOR

4.1 The parties understand and agree that DPMG shall perform all services related to the operation of the Mobile Medical Trailer as an independent contractor, with DPMG maintaining exclusive direction and control over its employees, and solely responsible for contracting with its consultants, and independent contractors. No personnel, including physicians, nurses, or other healthcare providers utilized by DPMG to perform the services related to the operation of the Mobile Healthcare Unit shall be considered employees of District.

5. INDEMNIFICATION.

5.1 DPMG agrees to indemnify and hold District, its governing body, officers, employees, representatives, agents, successors and assigns (collectively, "District Indemnities"), harmless from and against any and all damages, losses, liabilities, claims, causes of action or costs and expenses (including without limitation costs and fees of litigation), incurred or suffered by the District Indemnities including indemnity claims arising by reason of any personal injury of any person or property loss, loss of use, or damage, of every nature arising out of or in connection with the negligent act(s) or omission(s), recklessness, or willful misconduct of DPMG, its officers, employees, subcontractors, or representatives, relating to the operation of the Mobile Medical Trailer and performance of the services outlined in this Agreement, except for such loss or damages which was caused by the sole negligence or willful misconduct of the District Indemnities.

6. INSURANCE.

6.1 DPMG shall provide certificates of insurance and endorsements showing that DPMG has liability insurance coverage with an insurance company licensed to do business in the State of California, and acceptable to District, providing coverage in an amount acceptable to District and in accordance with legal requirements. All liability policies provided shall be "occurrence" and not "claims-made" policies. The liability insurance coverage shall include General Liability and Professional Liability (Errors and Omissions).

The liability insurance shall include as additional insureds District and District's directors, officers, and employees. The insurance afforded to these additional insureds shall be primary insurance. If the additional insureds have other insurance which might be applicable to any loss, the amount of the insurance provided under this section shall not be reduced or prorated by the existence of such other insurance.

Included in such insurance shall be contractual coverage sufficiently broad to insure the matters set forth in the section entitled "Indemnity" in this Agreement. Also included in such insurance shall be a "cross-liability" or "severability of interest" clause. All such insurance coverage shall be submitted to District on approved certificate of insurance and endorsement forms acceptable to District. Insurance carriers, to be acceptable to District, must have an acceptable rating from Best's Key Guide, be authorized to do business and have an agent for service of process in California. The endorsement shall be signed and notarized by an authorized agent/representative of the carrier. The insurance certificate and endorsement shall be noncancellable without thirty (30) days written notice to District.

DPMG shall provide certificates of insurance certifying that DPMG has obtained full Worker's Compensation Insurance coverage for no less than the statutory limits covering all persons whom DPMG employs or may employ in carrying out the work

related to the Mobile Healthcare Unit. DPMG shall provide District with a certificate of Worker's Compensation Insurance and endorsement on forms acceptable to District. DPMG shall also execute a Certificate Regarding Worker's Compensation form acceptable to District.

7. NOTICES.

All notices to be given under this Agreement shall be in writing and shall be deemed effective upon receipt when personally served or two days after mailing by certified, return receipt requested, to the following addresses:

To: District
Desert Healthcare District
Attention: Chris Christensen, Interim Chief Executive Officer
1140 N. Indian Canyon Drive
Palm Springs, California 92262

To: DPMG
DPMG Health
Attention: Tae Kim
555 E. Tachevah Drive, Suite 2E105
Palm Springs, CA 92262

8. MISCELLANEOUS PROVISIONS.

8.1 Venue. Venue shall lie only in the federal or state courts nearest to the City of Palm Springs, in the County of Riverside, State of California.

8.2 Modification. This Agreement may not be altered in whole or in part except by a modification, in writing, executed by all the parties to this Agreement.

8.3 Entire Agreement. This Agreement, together with all exhibits attached, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda, or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its exhibits.

8.4 Assignment. DPMG shall not be entitled to assign all or any portion of its rights or obligations contained in this Agreement without obtaining the prior written consent of the District. Nothing in this Agreement shall obligate District to give such consent. Any purported assignment without District's consent shall be void.

8.5 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs, and assigns.

8.6 Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

8.7 Commencement Date. The Commencement Date of when the two (2) year term of this Agreement begins shall be the date on which the Licensing and Certification Division of the State Department of Public Health issues the license pursuant to Health & Safety Code Section 1205.

This Agreement is entered into in the County of Riverside, State of California.

“District”:

Desert Healthcare District

“DPMG”:

DPMG Health

By: _____
Evet PerezGil, President

By: _____
Tae Kim

Date: _____

Date: _____



Date: October 24, 2023

To: Board of Directors

Subject: Grant # 1408 Coachella Valley Volunteers In Medicine (VIM)

Grant Request: Ensuring access to healthcare through awareness and continuation of services delivery

Amount Requested: \$478,400.00

Project Period: 11/01/2023 to 10/31/2024

Coachella Valley Volunteers in Medicine's (VIM) mission is to provide free primary medical care and related healthcare services to low-income, uninsured and underinsured residents of the Coachella Valley and greater Morongo Basin. Since opening their doors in 2010, VIM has provided no-charge primary medical (and dental care) to more than 4,500 individual patients through 45,000 in-person visits. Using the average cost of a primary care visit in today's economy, VIM has provided the equivalent of \$13,500,000 in free care since 2010.

Annually, VIM provides an average of 2,500 visits each year, plus an additional 2,000 encounters, for a total average number of 4,500 patient contacts annually. Their patients have household incomes no greater than 200% of Federal Poverty Level Guidelines, with 60% falling into the category of "extremely poor". More than half of their patients are younger, between 25 - 50 years of age, and often don't believe they need to visit a doctor because they don't feel "sick", especially because it would mean out-of-pocket payment. And, because the majority of their patients have never had health insurance or otherwise been able to visit a doctor on a regular basis, they usually don't understand the importance of wellness check-ups, regular physical examinations and preventive care such as vaccinations and screening tests.

VIM is seeking funding to support providing in-person and telehealth medical care services through their bricks and mortar clinic and remote clinics. Additionally, funding will support various health related services such as Health Education; Diabetes and General Case Management; Social Service Interventions; Medical Outreach to Unhoused Persons to patients based upon their needs as assessed by their medical provider or VIM Social Worker. Lastly, funding will support the hiring of a community health worker and contract promoters to increase awareness of VIM services throughout the community. District funds will go directly towards the costs incurred



during a patient visit and the partial salaries of a community health worker and the contract promotores.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Strategy 2.4: Improve accessibility of primary and specialty care services by increasing available telehealth services in Coachella Valley (Priority: High)

Strategy 2.7: Increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley (Priority: High)

Geographic Area(s) To Be Served:

All areas

Action by Program Committee: (Please select one)

✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$478,400.00 be approved.

Recommendation with modifications

Request for more information

Decline



Grant Application Summary

Coachella Valley Volunteers In Medicine, Grant # 1408

About the Organization

Coachella Valley Volunteers In Medicine
82915 Avenue 48
Indio, CA 92201
760-342-4414
cvvim.org

Tax ID #: 26-3312826

Primary Contact:

Doug Morin, Executive Director
(760) 625-0760
doug.morin@cvvim.org

Organization's Mission Statement and History

Our mission is to provide free primary medical care and related healthcare services to low-income, uninsured and underinsured residents of the Coachella Valley and greater Morongo Basin.

Since opening our doors in 2010, VIM has provided no-charge primary medical (and dental care) to more than 4,500 individual patients through 45,000 in-person visits; using the average cost of a primary care visit in today's economy, VIM has provided the equivalent of \$13,500,000 in free care since 2010. In addition, since 2016 when we began tracking other "related healthcare services" (support services) we have provided nearly 14,000 such encounters for general and disease-specific case management, health education, social services (including assessment of social and community needs, community referrals and supportive counseling) and medical outreach to unhoused persons. Annually, VIM provides an average of 2,500 visits each year, plus an additional 2,000 encounters, for a total average number of 4,500 patient contacts annually.

All necessary laboratory testing and imaging services (X-rays, Ultrasounds, CT and PET Scans, Mammograms, and MRIs) and related healthcare services are provided at no cost to the patient, and we receive no reimbursement for services provided from any

public (MediCal or Medicare) or private insurer. Instead, VIM relies solely on individual and community philanthropy, grant awards and our own fundraising efforts to fund all programs and services. An additional and significant contribution to our organization are the 200+ volunteers (physicians and other medical providers, nurses, medical assistants, and other medical office personnel) who donate in excess of 9,000 hours each year of their professional skill and practise in support of our mission, with an estimated in-kind donation valued in excess of \$450,000 each year (calculated using Department of Labor salary information for the region and by position).

In 2016 VIM began its Street Medicine program, providing medical outreach to unhoused persons, primarily living in the eastern Coachella Valley through teams of volunteers who "go to the street", providing medical care and services wherever an unhoused person resides. In 2020 when COVID hit, we pivoted quickly from providing in-person medical visits and related services to offering telehealth and telephonic services to our patients. While we have mostly returned to in-person interactions, we continue to offer telehealth visits when patients encounter barriers getting to one of our clinics, such as transportation, and at "remote" clinics planned in outlying communities that are hard to reach. Also in 2020, we discontinued our dental program and now plan mobile dental services several times throughout the year in partnership with Healing California. Working with VSP Vision Care we provide a free eye exam and frame/lens once a year for our patients in need through a coordinated direct referral process. Several additional programs that compliment our care are offered in partnership with various organizations such as, a Period Poverty Program which provides confidential and discreet feminine hygiene products to patients; Medic Alert bracelets for patients with a new diagnosis, such as diabetes or allergies, and lastly; Self-monitoring Programs for a) Diabetes and b) Hypertension, where patients receive a free glucometer or automatic blood pressure monitor for their home use, in addition to in-clinic and take-away education providing verbal, recorded audio and infographic reminders for referencing correct procedures to obtain their glucose or blood pressure and measurements necessary for proper chronic disease management. Lastly, this fall we will begin to offer behavioral health services to patients 50 years and older through a collaboration with The Joslyn Center whereby patients may self-refer or be referred by our social worker. This program will use talk therapy to help patients identify and change troubling emotions, thoughts, and behaviors; the program is planned to extend to all patients, pending additional funding, regardless of age, early in 2024.

In 2022 our Board of Directors made a strategic decision to open a second clinic to further increase access to primary care services on the western side of our Valley. While the clinic is not yet at capacity, we see this as a necessary step to make affordable care available to everyone and eliminate the barriers that prevent west Valley residents from receiving care from our primary clinic in Indio. Removing barriers such as transportation, long bus rides, expense of traveling across the Valley, arranging child care to attend an appointment, and even providing care closer to where patients work

so they don't have to take a day off were all identified as necessary reasons to open a second clinic on the west side of the Valley.

Organization Annual Budget: \$1,870,000.00

Project Information

Project Title: Ensuring access to healthcare through awareness and continuation of services delivery.

Start Date: 11/01/2023 **End Date:** 10/31/2024

Total Project Budget: \$1,332,184.00

Requested Amount: \$478,400.00

Community Need for this Project in the Coachella Valley:

In the brief "*Key Facts about the Uninsured Population*" published by KFF (Jennifer Tolbert, Patrick Drake, and Anthony Damico. December 19, 2022.), the authors describe trends in national health coverage in 2021, the second year of the Covid pandemic. Several key points stand out that remain relevant today -

- Most uninsured people are in low-income families and have at least one worker in the family.
- In 2021, 64% of uninsured people stated they were uninsured because the cost of insurance coverage was too high.
- People without insurance coverage have worse access to care than people who are insured.
 - One in five uninsured adults in 2021 went without needed medical care due to cost.
 - Uninsured people are less likely than those with insurance to receive preventive care and services for major health conditions and chronic diseases.
- In 2021, uninsured nonelderly adults were over twice as likely as those with private coverage to have had problems paying medical bills in the past 12 months.

While rates of uninsured Californians are declining across the State, largely because of California's expansion of MediCal, the Coachella Valley continues to have rates three times higher than State averages, and four and one-half times higher than the Inland Empire; the rate of uninsured working-age adults in the Coachella Valley is at 12.5%, or just over 25,000 adults, as detailed in the 2022 Community Health Survey, conducted by HARC. Many people assume the most impoverished people in our Valley

reside in eastern Coachella Valley, in 2021 we identified as many as 14,000 low-income, uninsured adults living in just the cities of Cathedral City, Palm Springs and Desert Hot Springs, using 2020 US Census Projections specific to these communities.

VIM remains a stop-gap for individuals who remain fearful of enrolling in government programs largely because of past enforcement of immigration policies that saw undocumented individuals being deported., VIM is there for the worker who has one, two or even three jobs, none of which provide health insurance, and they still don't earn enough to pay for a Covered California's subsidized plan. And, projections from Covered California themselves released in July of this year, indicate that while increased competition and consumer choices may provide some shelter from rate increases, they still project cost overall increases of 9.7% for the Inland Empire in 2024, continuing to possibly make subsidized coverage unaffordable for many. And yes, VIM is there for the adult family of workers with insurance when the household income doesn't allow for the family member to become insured through the primary worker's health insurance, and they earn too much to qualify for subsidized coverage or MediCal.

VIM increases and provides healthcare access for all uninsured, low-income Valley residents by providing quality primary medical care and related healthcare services in a professional and culturally competent manner from our two healthcare centers located in in Indio and Palm Springs. Our patients have household incomes no greater than 200% of Federal Poverty Level Guidelines, with 60% falling into the category of "extremely poor". More than half of our patients are younger, between 25 - 50 years of age, and often don't believe they need to visit a doctor because they don't feel "sick", especially because it would mean out-of-pocket payment. And, because the majority of our patients have never had health insurance or otherwise been able to visit a doctor on a regular basis, they usually don't understand the importance of wellness check-ups, regular physical examinations and preventive care such as vaccinations and screening tests.

Because of these needs, VIM is requesting funding to: a) support ongoing service delivery of primary care and related healthcare services and; b) for support with community outreach to increase awareness of VIM services throughout the Valley.

Project Description and Use of District funds:

This request supports the District's mission and Strategic Plan to proactively expand community access to primary and specialty care services (Goal #2) in two ways.

1. This funding request will provide 1,500 no charge, primary care medical visits and related healthcare services to low-income and un/underinsured, housed and unhoused residents of the Coachella Valley. Services are inclusive of no-charge laboratory testing,

X-rays, MRIs, Ultrasounds, CT Scans, and mammograms, as well as access to other services, based upon individually assessed health needs, such as vaccinations and preventive screenings, health education programs, chronic disease management, case management, social services and community referrals guided by professionally assessed needs of a patient's social determinants of health. For our unhoused patients, we provide medical care where the patient resides.

VIM determines our cost per visit cost at \$250, inclusive of all laboratory testing, x-rays, imaging services, and other indirect patient care costs, such as Care Delivery costs, Clinical Supplies; Electronic Patient Medical Record fees, and certain personnel expenses. NOT included in this cost are: IT support/maintenance/hardware; Office expenses (business licenses, equipment repair/maintenance, volunteer expenses, office supplies); Advertising; Bank Service fees; General Meeting Expenses; ED Salary and any benefits for staff (Worker's Compensation, Group Health Insurance, Retirement Savings Plan) (except for the Community Health Worker as identified in the Program Budget); Professional fees (Development, Accountant, Audit), and finally; NO fundraising/development costs. Facility costs (rent/lease, building maintenance, janitorial services/supplies, hazardous waste removal), Telephone, Fax and Internet, Utilities, and Insurance are only included for indirect cost at the maximum allowable rate of 15%.

VIM does not "double-dip" from different funding sources for the same provided services. Our general budget and other grant awards assist with patient care costs as well, and certain programs, such as our Self-monitoring Program for Diabetes or Hypertension, or our new behavioral health services program, are funded entirely and separately from this request.

Our \$250 cost per visit remains considerably and notably less than a visit to an emergency department (\$1,200 - \$3,000) which is where our patients continually tell us they would seek care but for our program. Yes, a visit to a physician's office or urgent care is less, but most of our patients simply do not have those dollars sitting in their bank accounts. For consideration though, in Riverside County, the average cost for an out-of-pocket primary care visit, without insurance, is between \$180 - \$300, similar to the cost for a visit to an urgent care without insurance, and these charges are not inclusive of VIM provided services such as labs, x-rays, imaging services or any of the related services health services VIM provides without cost.

2. This funding request also seeks salary support for a part-time Community Health Worker (CHW) and 500 hours payment of contracted promotores to promote VIM services in the community and targeted communities and populations suspected or known to have high rates of uninsured adult residents. The CHW works in the community to increase awareness of our services among employers whose employment model utilizes part-time employees, and therefore are not generally eligible

for health benefits, and to other locations where lower-income and unemployed residents frequent such as churches, laundromats, food distribution sites, and other organizations similar to ours that serve a low-income population. Promotores are called upon to assist with promotions in specific neighborhoods hesitant to trust people and organizations not known within the community. They may help promote events the CHW has arranged such as health fairs, general presentations, and telehealth clinics where they are also used to assist patients with applications, translating, and reinforcing medical provider instructions.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Strategy 2.4: Improve accessibility of primary and specialty care services by increasing available telehealth services in Coachella Valley (Priority: High)

Strategy 2.7: Increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley (Priority: High)

Project Deliverables and Evaluation

<p>Deliverable #1: By October 31, 2024, provide in-person primary medical care services to 1,500 individuals.</p>	<p>Evaluation #1: Numbers and types of visits will be recorded on an ongoing basis in the electronic medical record and monitored monthly to ensure progress toward grant deliverables. Monthly visit totals will be tracked and reported on over the course of the grant, particularly at 6- and 12-month intervals, and totaled for the final grant report.</p>
<p>Deliverable #2: By October 31, 2024, provider telehealth primary medical care services to 120 individuals.</p>	<p>Evaluation #2: By October 31, 2024, complete a minimum of six (6) telehealth or "remote" clinics in areas distant from either existing VIM clinic where barriers to accessing services are great.</p>
<p>Deliverable #3: Provide various health related services or "encounters" (Health Education; Diabetes and General Case Management; Social</p>	<p>Evaluation #3: Numbers and types of all encounters will be recorded in the patient's electronic medical record and reported separately from</p>

<p>Service Interventions; Medical Outreach to Unhoused Persons) to 500 patients based upon their needs as assessed by their medical provider or VIM Social Worker.</p>	<p>provided medical visits as a complementary or supportive service throughout the grant period, and be reported on in the 6 and 12 month reports, and totaled for the final grant report.</p>
<p>Deliverable #4: By October 31, 2024, hire a community health worker and contract promotores to increase awareness of VIM services in the community through a minimum of 6 community health fairs and 8 community-based presentations with an expected reach of 600 community members.</p>	<p>Evaluation #4: By January 1, 2024, hire a part-time, bilingual Community Outreach Worker to developing relationships with current and newly identified community organizations that serve a similar population as VIM and provide education and awareness of VIM, facilitate patient referrals and identify, develop and promote collaborations.</p>

Project Demographic Information

Target Geographic Area(s) To Be Served:

All areas

Target Population Age Group:

18 to 24, 25 to 39, 40 to 54, 55 to 64, 65+

Target Population Ethnicity:

Hispanic/Latino (of any race), Not Hispanic or Latino (of any race)

Target Population Race:

American Indian and Alaska Native, Asian, Black or African American, Native Hawaiian and other Pacific Islander, White, Some other race

Additional Target Population Information:

All patients served by Volunteers in Medicine must meet three eligibility requirements:

- 1) Patients must be residents of the Coachella Valley;
- 2) Patients must have household incomes no greater than 200% of Federal Poverty Guidelines, and;
- 3) Patients may not have health insurance or be unable to access their insurance because of costly co-payments or deductibles. Patient eligibility verification is updated annually; lack of health insurance coverage is verbally confirmed at every visit.

In 2022, 86% of patients self-identified as Hispanic/Latino, 60% as female and 92.5% indicated they were between the ages of 18 - 64 with 7% identifying as over 64 years of age. 60% of patients are employed full-time or part-time and 18% are

unemployed/looking for work. VIM has patients in every city of the Valley and unincorporated areas of the County.

Capacity, Sustainability, and Partnerships

Organizational Capacity

VIM was incorporated in 2008 and has been providing primary medical care and related services since 2010 from our primary clinic in Indio, and, as of August 2022, from a second clinic in Palm springs. Staffing is comprised of 12 staff who provide the medical oversight, programming and support to VIM programs; the Executive Director works closely with the volunteer Board of Directors and its several committees to provide support and operational management. Direct patient care is provided by qualified volunteers who support both back office activities (medical visits, care planning, patient referrals, case management, etc.) and front office activities (reception, new patient intake/eligibility/ appointment scheduling, check in/out, etc.) More than 200 volunteers donate their time to support the VIM mission, including physicians/physician assistants/nurse practitioners, behavioral health therapists, nutritionists, nurses and medical assistants, and reception/clerical volunteers. Annually, these volunteers donate more 1,850 hours, valued in excess of \$450,000 using Department of Labor statistics for the Inland Empire. Paid staff share in any grant responsibilities as required by the various grant guidelines and according to their individual and position responsibilities.

Since beginning service in 2010, VIM has provided in excess of 42,000 medical/dental visits to a total of 4,498 unduplicated patients. (Dental care was suspended in 2020 due to the pandemic and difficulty securing volunteer dental providers,) Most patients visit the clinic an average of 3 times each year, appropriate for the high number of patients served with a chronic disease, and are seen for any primary care need at one of our two clinics; in addition to in-clinic medical providers (Internal and Family Medicine, Gynecology, Geriatrics), VIM also has several specialists who see patients in their practice location without charging the patient (Dermatology, Neurology, Podiatry, Dentistry, Optometry and Ophthalmology). VIM also organizes three mobile clinics in partnership with Healing California for dental care; three such clinics are scheduled for throughout 2024. We are currently undertaking a robust awareness campaign targeting potential medical provider volunteers, providing general information and the value of volunteering at VIM; we are actively recruiting orthopedic and cardiology providers due to recent losses of these two, high demand specialties.

In mid 2022, VIM took the major step to open a small clinic in Palm Springs to increase access for uninsured adult residents of the west Valley. Funding for the Palm Springs has come from reserve funds for the past 15 months while increased revenue was planned for from all fundraising efforts, including grant funding. In 2023, the Board of Directors hired a contract fund development company to assist in fundraising and increase overall support through current and new donors, as well as new event revenue and increased foundation support.

VIM works closely with graduate medical residents from Eisenhower Medical Center's Graduate Medical Residency Program (Internal and Family Medicine), and most recently, the Desert Regional Medical Center's Graduate Medical Residency Program (Family Medicine). Numerous other educational institutions use VIM as a clinical practice site for physician assistant students (UC Davis), nurse practitioner students, nurses (CoD and UCR), social work students (CSUSB) medical assistant certification programs (CNEI and others) and even high school students who are enrolled in their school's health career academy. VIM prides itself on being an active contributor to higher education and training programs that encourage healthcare careers.

A volunteer Board of Directors has responsibility for primary governance of the organization, especially finance, long term planning and policy. The Board employs the Executive Director who is responsible for the day-to-day operations and supporting the Board. The Board has several standing committees, including Finance, Clinical Care, PR & Communications, and Events that work closely with staff and report to the Board of Directors. The Board meets every other month throughout the year, with an Executive Committee that meets in alternate months, primarily to handle organizational matters requiring immediate attention; significant matters are reserved for full Board discussion. VIM has had an annual financial audit from an outside auditor every year since 2010; audit reports have always been "clean" and audited financial statements are posted on our website and referenced in our Annual Report for transparency.

Organizational Sustainability:

Organizational funding comes solely from individual and community philanthropy, foundation grants and VIM fundraising efforts. In mid 2023, the Board of Directors approved a contract vendor for fund development services to review current activities, identify areas needing improvement, consider new event opportunities, and plan for increased revenue across all activities. New and/or expanded programs are generally funded through new foundation relationships and reserve funding until other support is secured. Several in-kind donations ceased in the past year, such as for landscaping and greatly discounted janitorial services, increasing operating costs and related fundraising needs. Staff turnover is minimal and partnerships with several educational institutions ensure a regular supply of physicians and other medical providers, nurses, medical assistants and medical front office workers. Recruitment for non-professional volunteers remains successful and adequate for our general volunteer needs. Annually, more than 200 volunteers in several capacities help support our mission to provide free primary care and related healthcare services to low-income and un/underinsured adult residents of the Coachella Valley.

We are committed to ensuring adequate financial reserves are maintained to safeguard the organization against downtimes in the event funding from usual sources from our usual sources of revenue may be negatively impacted. To that end the Board of Directors

created a policy that requires a minimum of 10% of any unrestricted or general donation be set aside as Board Designated Funds, not to be used without Board approval. This past year has seen some use of these funds used to support the planned growth of the organization, undertaken for the longterm sustainability and viability for VIM. We remain confident that new and renewed fundraising efforts will generate new and increased revenue to replenish our reserve fund accounts while bringing in increased revenue to sustain the planned organizational growth.

VIM operates on a three-year Strategic Plan, of which we are currently in our first year of this Plan. The Board sets the Plan Goals and staff develop specific objectives relating to each goal in the Plan. Objectives are reviewed regularly at staff level throughout the year and reported to the Board throughout the year and at the end of the year, and start of the new year. Annual Board Retreats are planned for in our Strategic Plan to ensure knowledgeable and prepared board directors, and the Board Development Committee was reinstated after several years to ensure ongoing recruitment and solicitation of members, thorough board orientation and skill development and building.

VIM employees 12 staff (8 full-time; 4 part-time) who have responsibility for day-to-day operations and work closely with a myriad of volunteers to carry out patient care services. VIM has minimal turnover in staff and encourages all employees, full and part-time, to take advantage of employer-sponsored benefits such as health insurance and retirement savings plans. All employees are actively engaged in developing objectives under the Board developed Strategic Plan which they engage in over the year, reporting on their progress and outcomes to other staff and ultimately to the full Board through the Executive Director.

Partnerships/Collaborations:

In addition to our volunteers and loyal supporters, VIM collaborates with many community organizations who work with us to provide patient care services, such as Eisenhower Health's Medical Residency Program, UCR School of Medicine, California State University San Bernadino - Social Work program (San Bernadino) and Nurse Education program (Palm Desert), Desert Oasis, Alianza Coachella Valley, Borrego Health (now DAP Health), FIND Food Bank, Healing California, and most recently, the American Heart Association, Alzheimers Coachella Valley, the Joslyn Center and Desert Regional Medical Center's Medical Residency Program. In the spring of this year, we created a collaboration of more than 30 organizations providing services to unhoused persons, with the intention of creating and encouraging collaboration of those services for the benefit of the individual; this concerted effort is already demonstrating meaningful impact for unhoused individuals than ever before. VIM partners with many organizations to carry out its mission. These organizations include:

- Eisenhower Health - with their medical residency program that provides medical residents to assist other medical providers in provision of care.

- Desert Regional Medical Center - a new partnership in the fall of 2023 having Family Medicine residents complete clinical rotation through the VIM Palm Springs clinic providing care to patients.
- UCR, School of Medicine - as a partner in a monthly, free clinic in Mecca for locals needing care and in outreach to unhoused persons through collaboration of services at a weekly activity occurring at Our Lady of Guadalupe in Palm Springs.
- Various higher education institutions - as a partner in providing on-site clinical experience and documentation of hours worked for professions requiring on-site experiential learning. We are most excited about a new partnership with UC Davis to accept nurse practitioner interns/residents for on-site clinical rotations.
- Healing California - a nonprofit organization from Los Angeles who assists community clinics, such as VIM, to provide vision and dental care services. VIM provides volunteer healthcare professionals and Healing California provides support and resources from a mobile van.
- Eisenhower Health, JFK Memorial Hospital and Desert Regional Medical Center - all provide referrals to VIM for their low-income and uninsured patients requiring medical follow-up after an emergency department visit or in-patient stay (when patient does not qualify for MediCal).
- Kaiser Permanente, Desert Advanced Imaging and Lab Corps - provide discounted or free services for VIM patients requiring plain film x-rays, imaging services and laboratory testing.
- Alzheimer Association Coachella Valley - a new partnership to provide free dementia screenings for patients, their family(ies) and the community who otherwise could not afford this service. A caregiver support group is planned for once the need is apparent.
- Joslyn Center - a new partnership to provide behavioral health services to patients and others from the community who could not otherwise afford this service. A support group is envisioned to start in 2024 once need is established.
- FIND Food Bank - provides weekly drop in support for patients and members of the community as well as emergency food hampers for distribution to patients by staff when an immediate food need is identified.
- CV Collaboration - is a recently formed network by VIM and UCR Nursing School of organizations providing services to unhoused persons

Diversity, Equity, Inclusion, and Belonging (DEI)

How does your organization address DEI in your policies, strategic plan, board and staff, etc.?

First, VIM adheres to California non-discrimination laws and extends fair employment protections to our unpaid staff (volunteers) as well as required protections for employees. That said, we do not discriminate in hiring of paid or unpaid staff, or in acceptance of patient applications for services on the bases of any of the protections in the Fair Employment and Housing Act. VIM addresses diversity when identifying and recruiting new board members, and in hiring of paid and unpaid staff. We naturally consider diversity in hiring paid and unpaid staff, and in selecting board members, to ensure the organization is representative of the patients we serve, most of whom are women that identify as Hispanic/Latino.

We demonstrate equity by ensuring our board members, and paid and unpaid staff have the resources they need to do the job they are responsible for. This doesn't mean everyone gets the same accommodations but rather, everyone gets the resources they need to perform their responsibilities to the best of their abilities.

Inclusion is an ongoing process at VIM, ensuring that everyone has an equal opportunity to contribute to and influence every part of and level of VIM. It begins and ends with quality surveys administered frequently and at various times during the year to patients, volunteers, staff and board members. A Patient Advisory Council, established in 2022, seeks input from current and former patients on program services and value of services received. (We hope to eventually identify a current or former patient who is comfortable participating on a committee or as a Board Director.) Paid staff have regular staff meetings where their input is sought on program evaluation and development, as well as through their input into the Board-established Strategic Plan goals for which they identify relatable objectives to work on throughout the year. When appropriate, staff at all levels have input into hiring decisions by helping senior staff interview and screen applicants.

What barriers does your organization face when addressing DEI?

Historically, we have asked individuals to consider a position on our Board of Directors when they were already involved and known to us. In the past several years we have begun to first identify potential members from outside our current volunteers, instead, recruiting them from local business and/or community leaders we have identified or who have been referred to us for the position from a trusted community advisor. This allows us to be more purposeful in considering DEI in our board recruitment. However, recruiting qualified board members who will agree to all the responsibilities of the position, when they are still unaware of the work we do, can be challenging: Sometimes a candidate is unable to attend our board meetings on the scheduled dates which are posted 12 months in advance, or they may not be comfortable in agreeing to abide by our Give or Get policy. So, with the reformation of our Board Development Committee and a qualified chair to lead the committee who is responsible for not only ongoing board training with an eye to DEI, but also recruitment of volunteer board and committee members all year, and a drive to have most interested volunteers start their experience with VIM at a committee level for at least several months, we hope to screen out those potential board members who will ultimately be unable to maintain their commitment.

Grant Budget

Section 1 - Operational Expenses				
Project Grant Budget				
Applicant:		Coachella Valley Volunteers in Medicine		Increasing Access to Healthcare
OPERATIONAL EXPENSES		Total Project Budget	Funds From Other Sources Detail On Section 3	Amount Requested From DHCD/F
Total Staffing Expenses Detail on Section 2		\$ 434,444.00	\$ 393,444.00	\$ 41,000.00
Equipment (itemize)				
1	None		\$ -	
2			\$ -	
3			\$ -	
4			\$ -	
Supplies (itemize)				
1	Included in per visit service contact rate below		\$ -	
2			\$ -	
3			\$ -	
4			\$ -	
Printing / Duplication		\$ 7,500.00	\$ 7,500.00	\$ -
Mailing / Postage		\$ 2,500.00	\$ 2,500.00	
Mileage (use current Federal mileage rate)		\$ 2,500.00	\$ 2,500.00	
Education / Training		\$ 5,000.00	\$ 5,000.00	
Other Direct Project Expenses Not Described Above (itemize)				
1	1,500 service contacts @ \$250 each	\$ 375,000.00	\$ -	\$ 375,000.00
2	1,250 service contacts @ \$250 each	\$ 312,500.00	\$ 312,500.00	
3	Electronic Medical Record (annual fee)	\$ 4,500.00	\$ 4,500.00	
4	Volunteer management	\$ 7,500.00	\$ 7,500.00	
5				
* Items listed below are included for calculation of the total project budget only. For use of DHCD/F funds, these line items would be included in the allowable 15% indirect cost rate.				
Office / Rent / Mortgage*		\$ 74,640.00	\$ 74,640.00	\$ -
Telephone / Fax / Internet*		\$ 29,500.00	\$ 29,500.00	\$ -
Utilities*		\$ 4,800.00	\$ 4,800.00	\$ -
Insurance*		\$ 9,400.00	\$ 9,400.00	\$ -
Indirect Rate	<input checked="" type="checkbox"/> Check Box To Utilize Indirect Rate Up To 15%	Enter Rate	15.00%	\$ 62,400.00
Total Project Budget (Rounded up to nearest dollar)		\$ 1,332,184	\$ 853,784	\$ 478,400
Budget Narrative	<p style="color: red; font-size: small;">The Project Budget requests funding support for: 1) Salary support for a PT Community Health Worker (CHW) who has sole responsibility for promoting VIM program and services in the community to inform and educate potential patients about VIM. This may include reaching out to other community organizations who serve our patient population, conducting general presentations/participating in targeted health fairs, arranging for and coordinating remote telehealth clinics; 2) 500 hours of payment support to work with Contract Promotores who will assist the CHW in promoting VIM services in targeted communities as trusted resources from those communities. They will assist current and new patients in completing applications, updating/obtaining eligibility verification, assisting with patient translation and questions, and assisting the CHW with telehealth connections; 3) 1,500 service contacts at \$250 per visit inclusive of all direct patient care costs, laboratory testing, x-rays, imaging services and other related healthcare services such as care management, health education, social services, and more. (Services may be provided in-person or via telemedicine contact. Other healthcare services are provided upon need and from individual assessment and are available via in-person, telephonic or telehealth contact.)</p>			

Version 07.07.23 Please see instructions tab for additional information

Staff Salary Expenses		Annual Salary	% of Time Allocated to Project	Total Project Salary	Amount Requested from DHCD/F
Employee Position/Title					
1	PT Comm Outreach Worker	\$ 25,000.00	100%	25,000.00	\$ 25,000.00
2	FTE Pt Care staff (5.5)	228,800.00	100%	228,800.00	
3	PT Social Worker (MSW)	\$ 25,000.00	100%	25,000.00	\$ -
4	Clinical Operations Dir (50 Hours)	\$ 65,000.00	100%	65,000.00	
5	Sp Events & Comm Mgr	\$ 65,000.00	70%	45,500.00	\$ -
6					
Enter Total Employee Benefits / Employer Taxes % (Proportional Fringe Costs and/Or Employer Taxes Based On % Of Time Allocated To Project)			8.00%	31,144.00	2,000.00
Total Will Populate In Total Staffing Expenses Section 1			Total ›	\$ 420,444.00	\$ 27,000.00
Budget Narrative - Scope of Work	<p>The Community Outreach Worker (CHW) will be a regular PT employee with responsibilities for VIM marketing (30%) and specific outreach to educate and inform potential patients, and the many organizations that assist them, about VIM services. The CHW is also responsible to: a) identify opportunities for community health fair/outreach activities, and ensure VIM participation in a minimum of 6 such activities; b) identify, schedule and complete a minimum of 8 general awareness presentations in the community, and; c) identify and complete a minimum of 6 telehealth or "remote" clinics. Patient Care staff are responsible for varying aspects of direct patient care including verification of eligibility, appointment scheduling, vital signs, medical translation, support to medical providers, lab review, case management, patient health education, and more. The Clinical Operations Director provides direct supervision for the Community Outreach Worker and contract Promotores, other Patient Care staff, and the Social Worker. They schedule all medical provider clinics, are responsible for provider and organization credentialing, prepare regular service outcome reports. They have ultimate management responsibility for both the Palm Springs and Indio clinics. The Special Events & Communications Manager is responsible for raising unrestricted funds from events and has additional responsibility for promoting VIM to the public and targeted groups through print, electronic, and social media, including significant campaigns targeted to and for our patient population.</p>				
Budget Narrative - Employee Benefits	<p>All regular (non-temporary; non-contract) VIM employees, PT and FT, are eligible to receive sick, vacation and holiday pay on an accrual basis beginning at day one of employment, and may enroll in our group health plan (medical, dental and vision) with employer contributions (\$600/mo - FT; \$300/mo - PT) after 90 days employment. A 403(b) Retirement Savings Plan is available for all regular employees after one year of continuous employment; VIM will match up to 5% of employee contributions.</p>				
Professional Services / Consultant Expenses		Hourly Rate	Hours/Week	Total Project Fee	Amount Requested from DHCD/F
Company and Staff Title					
1	Contract Promotores (500 hours)	\$ 28.00	varies	\$ 14,000.00	\$ 14,000.00
2					
3					
4					
Total Will Populate in Total Staffing Expenses Section 1			Total ›	\$ 14,000.00	\$ 14,000.00
Budget Narrative - Scope of Work	<p>Contract Promotores will assist the CHW in promoting VIM services around confirmed community health fairs/presentations and "remote"/telehealth clinics. Promotores will be contracted workers who will inform community members of VIM as a trusted person from their community to promote events in their communities, and assist the CHW with patient registration, completion of service application and eligibility verification, and providing feedback and information to the CHW re process and patient issues expressed to themselves.</p>				

Funds From Other Sources (Actual Or Projected) SPECIFIC To This Project		
"Total Funding In Addition To DHCD/F Request" Below Should Match Or Exceed Value Listed In Section 1 for "Funds from Other Sources".		Amount
Fees		\$ -
Donations (General donations not from a fundraising event)		\$ 304,936.00
Grants (List Organizations)		
1	Kaiser Permanente (PS Clinic support)	\$ 25,000.00
2	Champions Volunteer Foundation	\$ 5,000.00
3	Valenzuela Foundation (Women's Wellness Support)	\$ 15,000.00
4	Ca Assn Free & Charitable Clinics	\$ 88,000.00
5	Nat'l Assn Free & Charitable Clinics	\$ 50,000.00
6	Heart to Heart International	\$ 15,000.00
Fundraising (Describe Nature Of Fundraiser)		
1	VIMY Awards and Live Auction Gala	\$ 200,000.00
2	VIM Celebrity Classic Golf Tournament	\$ 75,000.00
3	Other lesser fundraising events	\$ 55,000.00
4		
Other Income, e.g., Bequests, Membership Dues, In-Kind Services, Investment Income, Fees From Other Agencies, Etc. (Itemize)		
1	In-kind medical providers (physicians, nurses, medical assistants, etc.)	\$ 450,000.00
2	Graduate Medical Residency Support (Eisenhower Health)	\$ 75,000.00
3	In-kind rent/lease for Indio Clinic	\$ 97,020.00
4	Legacy Gift (monthly advance of 12 mos until estate settles)	\$ 24,000.00
5	Other donated services	\$ 40,000.00
5	Donated patient care and other services (Imaging discounts, X-rays, trash, pest control)	\$ 39,630.00
Total Funding In Addition To DHCD/F Request		\$ 1,493,586.00
Budget Narrative	<p style="color: red;">Grants are an ongoing source of revenue for both direct patient care and specific programs. They vary in numbers and amounts from year to year. Our VIMY Awards historically have netted an average of \$200,000 over the 8 years we have produced the event, and the 2023 Celebrity Golf Tournament raised \$56,000 and is planned for May of 2024 already. In-kind volunteer donations average more than \$450,000 annually from 200+ volunteers, including physicians, nurse practitioners, physician assistants, nurses, nutritionists, medical assistants and clerical/reception volunteers.</p>	

Version 07.07.23 Please see instructions tab for additional information



Full Grant Application Scoring



SCORING PARAMETERS

0 TO 1 POINTS	Does Not Meet Expectations
2 TO 3 POINTS	Needs Improvement
4 TO 5 POINTS	Meets or Exceeds Expectations

Total Points Possible = 50 points

Grant Information			
Grant Number:	Organization:	Project Title:	Funding Request:
1408	Coachella Valley Volunteers In Medicine	Ensuring access to healthcare through awareness and continuation of services delivery	\$478,400.00
Programmatic Scoring Review			
Community Need for the Project in Coachella Valley (5 points)	The applicant identifies and describes a specific need(s) for the project within the Coachella Valley by providing relevant, valid data that highlights the full scope of the need. The applicant clearly connects the community need to the project’s targeted population.		
<u>Reviewer 1 - Score:</u> 4	<u>Reviewer 1 - Score Explanation:</u> This project proposes to address a need in the Coachella Valley for primary medical care services for those who are often uninsured due to the high cost of coverage along with having jobs that do not offer insurance. The additional impactors associated with living in poverty also create and important need for free medical services for underserved Coachella Valley residents.		
<u>Reviewer 2 - Score:</u> 5	<u>Reviewer 2 - Score Explanation:</u> Volunteers in Medicine continues to be the only free clinic in the Coachella Valley, which has helped thousands of District residents have access to primary and specialty care services free of charge.		
<u>Reviewer 3 - Score:</u> 5	<u>Reviewer 3 - Score Explanation:</u> VIM provides details about the growing issue across the nation and then brings in data specific		

	to Coachella Valley for us to better understand the need and current gaps. They highlight the work of VIM and how they are equipped and have been working to improve access and availability of healthcare for all uninsured, low-income Valley residents.
<u>Reviewer 4 - Score:</u> 4.5	<u>Reviewer 4 - Score Explanation:</u> The applicant clearly defines the community need that qualify for their free medical services.
Project Description and Use of Funds (5 points)	The applicant describes the scope of the project and how the organization will utilize the Desert Healthcare District’s funding. The applicant clearly states the approach they are going to take to meet the community’s need and specifies how the success of this project directly relates to the District’s mission and current Strategic Plan.
<u>Reviewer 1 - Score:</u> 4	<u>Reviewer 1 - Score Explanation:</u> Use of District funds will consist of 1,500 no cost medical care visits to low income and un/underinsured residents of the Coachella Valley. These visits include labs, xrays, MRI’s, ultrasounds, CT scans and mammograms and are valued at \$250 (does not include cost of IT support, bank fees, etc.) per visit. This cost is still lower that the cost of a visit to an emergency room (\$1200 – 3000). Use of District funds will also fund part of a Community Health Worker (CHW) and a Promotores to promote VIM services and to increase community awareness through 8 general awareness events, health fairs and telehealth clinics.
<u>Reviewer 2 - Score:</u> 4	<u>Reviewer 2 - Score Explanation:</u> The project description and use of grant funds description was very thorough and provided key details on the use of district funds, including the alignment to the District’s mission and strategic plan.
<u>Reviewer 3 - Score:</u> 4.5	<u>Reviewer 3 - Score Explanation:</u> The two funding focuses for the District funds are detailed and clearly state how they will be implemented.
<u>Reviewer 4 - Score:</u> 4	<u>Reviewer 4 - Score Explanation:</u> The applicant clearly defines the scope of the project and use of Distrit funds. It meets the strategic plan goals and strategies.
Alignment to District Goals, Strategies, and Performance Measures (5 points)	The applicant effectively describes the alignment of the project to the Desert Healthcare District and Foundation 2021-2026 Strategic Plan goals, strategies and performance measures.
<u>Reviewer 1 - Score:</u> 5	<u>Reviewer 1 - Score Explanation:</u> This project as described aligns with District Strategic Plan Goal 2 (Proactively expand community access to primary and specialty care services) Strategy 2.7 (Utilize an equity lens to expand services and resources to underserved communities).

<p><u>Reviewer 2 - Score:</u> 5</p>	<p><u>Reviewer 2 - Score Explanation:</u> The grant proposal aligns with the DHCD Strategic Plan goals and strategies.</p>
<p><u>Reviewer 3 - Score:</u> 5</p>	<p><u>Reviewer 3 - Score Explanation:</u> The proposed project aligns with the current Strategic Plan goals and strategies.</p>
<p><u>Reviewer 4 - Score:</u> 5</p>	<p><u>Reviewer 4 - Score Explanation:</u> The project is in direct alignment (high priority – access to health care) with the District’s strategic plan goals and strategies.</p>
<p>Project Deliverables and Evaluation (5 points)</p>	<p>The applicant provides project deliverables that are specific, measurable, attainable, and time-bound. Project deliverables must align with at least one of the Desert Healthcare District and Foundation’s 2021-2026 Strategic Plan goals and a related strategy/strategies. Additionally, applicant clearly demonstrates the alignment of their project deliverables to the appropriate performance measures, as outlined in the application instructions.</p> <p>Each evaluation corresponds to a project deliverable. The evaluation accurately measures the project’s effectiveness, impact and includes appropriate qualitative and/or quantitative tracking methods. The evaluation section includes well-defined data reporting mechanisms and/or a clear and transparent narrative.</p> <ul style="list-style-type: none"> • Evaluation measures and methods are clear; the applicant defines how they envision success. • Evaluation is in alignment with the deliverables of the project. • Evaluation is in alignment with identified Desert Healthcare District and Foundation’s 2021-2026 Strategic Plan goal(s), strategies, and performance measure(s). • An explanation is provided on how the data collected from the project will be utilized for future programming, partnerships, and/or funding.
<p><u>Reviewer 1 - Score:</u> 4</p>	<p><u>Reviewer 1 - Score Explanation:</u> Deliverable #1: 1500 primary care visits will be provided through both in person and telehealth contacts during project term to patients from the Indio and Palm Springs VIM clinics. This performance will be tracked in the electronic medical record and reviewed monthly. Deliverable #2: A variety of health care services will be rendered and may include health education, diabetes, general case management, and necessary outreach to unhoused individuals all services based on needs assessments. These services will be overseen by VIM Social Worker who will assess new patients and make appropriate referrals for support services. Patient post service surveys will be used to track effectiveness. Deliverable #3: VIM program promotion in the community consisting of a variety of outreach activities that will be tracked in terms of numbers of activities/events accomplished.</p>
<p><u>Reviewer 2 - Score:</u></p>	<p><u>Reviewer 2 - Score Explanation:</u></p>

4	The project deliverables and evaluation of the project were detailed and met the requirements for this section. Additional details on a couple of evaluation sections were lacking.
Reviewer 3 - Score: 4	Reviewer 3 - Score Explanation: Deliverables are clear and evaluation corresponds. Additional information on how the data would be collected would have helped to better understand the deliverable numbers.
Reviewer 4 - Score: 4	Reviewer 4 - Score Explanation: The deliverables are SMART and the evaluation of the deliverables are in alignment.
Organizational Capacity (5 points)	The applicant details their organization's capacity to meet the demands of this project including allocated staff time, internal expertise, organizational structure, etc. Applicant includes examples that demonstrate that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.). The applicant demonstrates reliability for this kind of work (strength, a history or track record of achievements, related mission, and letters of support).
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: VIM has an extensive history of attracting volunteer medical staff to assist in the provision of services to un/underinsured communities since 2008. These staff volunteer their time and are committed to VIM's mission. The identified staffing for this project appears to be adequate in relation to this project's goals.
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: Volunteers in Medicine has a proven track record and has the organizational capacity to successfully keep providing free quality medical care to District residents.
Reviewer 3 - Score: 4.5	Reviewer 3 - Score Explanation: To expand capacity, VIM is partaking in a robust awareness campaign to recruit volunteers, maintain strong relationships with regional universities along with the local school district. Additionally, VIM highlighted their recent expansion into Palm Springs to extend their capacity. Including information of the CHW and Promotoras would have helped to fully understand the human resource allocation to this project.
Reviewer 4 - Score: 4	Reviewer 4 - Score Explanation: The applicant has the organizational capacity to meet the demands of this project.
Organization Sustainability (5 Points)	The application highlights their organization's sustainability strategies around funding, staff recruitment/retention, effective collaboration and partnerships, thoughtful long-term planning, etc.
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: VIM funding comes from targeted philanthropy, and foundation grants. In recognition of the need for ongoing focus in this area, VIM has begun to seek a contractor to focus on fund development. Core staff turnover remains stable and partnerships with education institutions

	continue to support the supply of medical providers and other necessary medical team members. These efforts are supported by a Board approved 3 year Strategic Plan.
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: Volunteers in Medicine have continued to evolve their business model to ensure they are sustainable and have added new programs to increase funding.
Reviewer 3 - Score: 4.5	Reviewer 3 - Score Explanation: VIM has extensive partnerships and continuously seeks outside funding
Reviewer 4 - Score: 4	Reviewer 4 - Score Explanation: The applicant has a diverse fund development plan to keep the organization sustainable.
Partnerships/Collaborations (5 Points)	The application demonstrates a collaborative process that includes multiple community partners involved in planning and implementation. Organizational partners are listed and each of their roles in the project are outlined. Letters of support and/or memorandums of understanding are included, as appropriate.
Reviewer 1 - Score: 5	Reviewer 1 - Score Explanation: VIM utilizes an extensive network of community partners to support the services rendered to the community members they endeavor to treat. These partners include 8 health provider organizations including Eisenhower Health, Kaiser Permanente, Joselyn Center, many others.
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: Volunteers in Medicine have a long list of partnerships and collaborations to help them achieve their mission and successfully continue to provide referrals to external resources.
Reviewer 3 - Score: 4.5	Reviewer 3 - Score Explanation: The applicant demonstrates a collaborative process that includes a diverse group of partners.
Reviewer 4 - Score: 5	Reviewer 4 - Score Explanation: The applicant has many collaborative partners that work together to offer free medical services to the underserved and un- and underinsured population.
Budget (5 points)	The budget is specific and reasonable, and all items align with the described project. The proposed budget is accurate, cost-effective, and linked to activities and deliverables. <ul style="list-style-type: none"> • There are no unexplained amounts. • The overall significance of the project, including the relationship between benefits and/or participants to the programmatic costs are reasonable. • All line items are identified clearly in the budget narrative. • The budget shows committed, in-kind, or other funds that have been identified, secured, and in place to support the project.
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: Project budget identifies all project costs, District costs, and other sources of funding related to the support for the deliverables associated with this project.

Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: The grant proposal budget is adequate and in line with the proposed deliverables, along with identifying and securing additional funding. DHCD funding will only constitute 35% of the overall project budget.
Reviewer 3 - Score: 5	Reviewer 3 - Score Explanation: The budget narrative is clear and outlines all aspects of the proposed project.
Reviewer 4 - Score: 4	Reviewer 4 - Score Explanation: The budget is reasonable and requested amount reflects 35% of the total project budget.
Fiscal Scoring Review	
Fiduciary Compliance (5 Points)	The applicant demonstrates a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financial statements produced in a timely fashion, positive cash flow at the end of each fiscal year, asset ratio meets required debt load, and the Board reviews financial statements regularly.
Reviewer 1 - Score: 5	Reviewer 1 - Score Explanation: Unmodified financial statements presented to and approved by the Board. Strong current ratio documented in financial statements, with positive cash flow noted in both presented years.
Reviewer 2 - Score: 4	Reviewer 2 - Score Explanation: The FY 12/31/22 audit report is unmodified. The Board of Directors accepted the audit report. Audit report Current Ratio is strong (11:1), which represents the grantee's ability to pay its short-term liabilities. The Net Assets increased by \$695k as of 12/31/22, with Total Net Assets of \$861k. Internal financial statements, as of 7/31/23, shows an decrease of \$133k. The Balance Sheet is in good order.
Financial Stability (5 Points)	Funding sources for operations and programs are from multiple sources and are driven by a strategic plan for stability for both short- and long-term growth. If a strategic plan does not exist, other documentation is presented to identify future sources of funding. The requested grant amount is reasonable in comparison to the overall organizational budget.
Reviewer 1 - Score: 4.5	Reviewer 1 - Score Explanation: Strategic plan in place which details steps to obtain short and long-term funding. The requested grant amount is approximately 25% of the organizational budget, which includes funding from multiple sources.
Reviewer 2 - Score: 4.5	Reviewer 2 - Score Explanation: Grantee demonstrates a sound financial position. Grantee presents a comprehensive strategic plan. Grantee has diversified resources for this project of \$1.3M. The District's grant of \$478k is well supported by other resources.

TOTAL SCORES - PROGRAMMATIC		TOTAL SCORES - FISCAL	
REVIEWER 1	34/40 POINTS = 85%	REVIEWER 1	9.5/10 POINTS 95 = %
REVIEWER 2	38/40 POINTS = 95%	REVIEWER 2	8.5/10 POINTS 85 = %
REVIEWER 3	37/40 POINTS = 92.5%	AVERAGE	9 POINTS = 90%
REVIEWER 4	34.5/40 POINTS = 86%		
AVERAGE	36 POINTS = 90%		

Average Total Score: 45 / 50 = 90%

EXHIBIT B

PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
Ensuring access to healthcare through awareness and continuation of services delivery.	11/01/2023 10/31/2024

PAYMENTS:

(4) Payments: \$107,640
10% Retention: \$47,840

Total request amount: \$ 478,400.

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
11/01/2023	Signed Agreement submitted & accepted.	Advance of \$107,640 for time period 11/01/2023 - 1/31/2024
3/01/2024	1st quarterly (11/01/2023 - 1/31/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$107,640 for time period 2/01/2024 - 4/30/2024
6/01/2024	2nd quarterly (2/01/2024 - 4/30/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$107,640 for time period 5/01/2024 - 7/31/2024
9/01/2024	3rd quarterly (5/01/2024 - 7/31/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$107,640 for time period 8/01/2024 - 10/31/2024
12/01/2024	4th quarterly (8/1/2024 - 10/31/2024) progress report, budget reports and receipts submitted & accepted	\$0
12/15/2024	Final report (11/01/2023 - 10/31/2024) and final budget report submitted & accepted	\$47,840 (10% retention)

TOTAL GRANT AMOUNT: \$ 478,400.

DELIVERABLES:

Project Goals and Evaluation

<p>Deliverable #1: By October 31, 2024, provide in-person primary medical care services to 1,500 individuals.</p>	<p>Evaluation #1: Numbers and types of visits will be recorded on an ongoing basis in the electronic medical record and monitored monthly to ensure progress toward grant deliverables. Monthly visit totals will be tracked and reported on over the course of the grant, particularly at 6- and 12-month intervals, and totaled for the final grant report.</p>
<p>Deliverable #2: By October 31, 2024, provider telehealth primary medical care services to 120 individuals.</p>	<p>Evaluation #2: By October 31, 2024, complete a minimum of six (6) telehealth or "remote" clinics in areas distant from either existing VIM clinic where barriers to accessing services are great.</p>
<p>Deliverable #3: Provide various health related services or "encounters" (Health Education; Diabetes and General Case Management; Social Service Interventions; Medical Outreach to Unhoused Persons) to 500 patients based upon their needs as assessed by their medical provider or VIM Social Worker.</p>	<p>Evaluation #3: Numbers and types of all encounters will be recorded in the patient's electronic medical record and reported separately from provided medical visits as a complementary or supportive service throughout the grant period, and be reported on in the 6 and 12 month reports, and totaled for the final grant report.</p>
<p>Deliverable #4: By October 31, 2024, hire a community health worker and contract promotores to increase awareness of VIM services in the community through a minimum of 6 community health fairs and 8 community-based presentations with an expected reach of 600 community members.</p>	<p>Evaluation #4: By January 1, 2024, hire a part-time, bilingual Community Outreach Worker to developing relationships with current and newly identified community organizations that serve a similar population as VIM and provide education and awareness of VIM, facilitate patient referrals and identify, develop and promote collaborations.</p>

The Desert Healthcare District has implemented Results-Based Accountability (RBA) into their grantmaking process to streamline reporting and offer a straightforward approach to effectively measuring program-level performance.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Strategy 2.4: Improve accessibility of primary and specialty care services by increasing available telehealth services in Coachella Valley (Priority: High)

Strategy 2.7: Increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley (Priority: High)

You have selected Strategy 2.4.

Your project deliverables need to capture the following performance measures.

- # of additional telehealth visits
- # of clients served as a result of additional telehealth access
- % increase in services delivered

You have selected Strategy 2.7.

Your project deliverables need to capture at least one of the following performance measures.

- # of Community Health Workers/Promotores trained
- # of Community Health Workers/Promotores hired
- # of clients/potential clients who increased their knowledge of primary and specialty care resources
- # of clients who were directly connected to a primary and specialty care service provider
- # of clients who were connected to primary and specialty care via supportive healthcare services such as transportation assistance, insurance enrollment, etc.



Date: October 24, 2023

To: Board of Directors

Subject: Grant # 1410 Alianza Nacional de Campesinas, Inc.

Grant Request: Coachella Valley Farmworkers Food Distribution

Amount Requested: \$57,499.00

Project Period: 11/01/2023 to 10/31/2024

Alianza Nacional de Campesinas was launched in 2011 after many years of conversations with women farmworkers throughout the United States and Mexico. For years, women farmworkers and advocates organized and engaged in activities in their home states and communities, which were aimed at securing help and resources for women farmworkers on many issues, including violence against women, basic employment rights, healthcare, education, housing, immigration and other issues. With this, Alianza Nacional de Campesinas mission became to unify the struggle to promote women farmworker's leadership in a national movement to create broader visibility and advocate for changes that ensure their human rights.

Alianza Nacional de Campesinas seeks to address food insecurity within farmworker communities in the Coachella Valley. Supply chain shortages and rising food prices have caused further suffering among the essential workers who bring food to America's tables. In response to such difficulties, early in 2022, Alianza Nacional de Campesinas, along with 5 organizations (three from the local area and two from Los Angeles) rose to the challenge and began to support farmworkers and their families with food and other resources. Since then, their food distribution events have continued to serve nearly 1,600 farm workers a month with fresh produce that lasts them for approximately 2 to 3 weeks. They target 15 communities in southeastern Coachella Valley including Coachella, Thermal, Oasis, Mecca, and North Shore.

Desert Healthcare District funds for various equipment and supplies to ensure distribution events can run smoothly and efficiently. Additionally, District funds will be utilized for stipends and a portion of staff salaries.



Strategic Plan Alignment:

Goal 5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis)

Strategy 5.3: Reduce the negative impacts of social determinants of health on poverty in Coachella Valley (Priority: Moderate/Low)

Geographic Area(s) To Be Served:

Cathedral City, Coachella, Desert Palms, Indian Wells, Indio, La Quinta, Mecca, North Shore, Oasis, Palm Desert, Palm Springs, Rancho Mirage, Thermal

Action by Program Committee: (Please select one)

- ✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$57,499.00 be approved.

Recommendation with modifications

Request for more information

Decline



Grant Application Summary

Alianza Nacional de Campesinas, Inc., Grant # 1410

About the Organization

Alianza Nacional de Campesinas, Inc.
P.O. Box 20033
Oxnard, CA, CA 93034
951-545-1917

<https://www.alianzanacionaldecampesinas.org/>

Tax ID #: 47-3486630

Primary Contact:

Mily Trevino-Sauceda, Executive Director
9515451917
mily@campesinasunite.org

Organization's Mission Statement and History

Alianza Nacional de Campesinas was launched in 2011 after many years of conversations with women farmworkers throughout the United States and Mexico. For years, women farmworkers and advocates organized and engaged in activities in their home states and communities, which were aimed at securing help and resources for women farmworkers on many issues, including violence against women, basic employment rights, healthcare, education, housing, immigration and other issues. Over the years it became clear that it was necessary to unite these efforts at a national level in order to have the greatest impact possible.

Organization Annual Budget: \$2,196,253.00

Project Information

Project Title: Coachella Valley Farmworkers Food Distribution

Start Date: 11/01/2023 **End Date:** 10/31/2024

Total Project Budget: \$97,736.00

Requested Amount: \$57,499.00

Community Need for this Project in the Coachella Valley:

We seek to address food insecurity within farmworker communities in the Coachella Valley. Many farmworker communities in the valley endured the worst of the COVID-19 pandemic, with some people losing their jobs without notice, to others having to labor in the fields without adequate personal protective equipment. More recently, supply chain shortages and rising food prices have caused still further suffering among the essential workers who bring food to America's tables. In response to such difficulties, early in 2022, Alianza Nacional de Campesinas, along with 5 organizations (three from the local area and two from Los Angeles) rose to the challenge and began to support farmworkers and their families with food and other resources. Since then, our food distribution events have continued through June 2023 to serve nearly 1,600 farm workers a month with fresh produce that lasts them for approximately 2 to 3 weeks. Twice, Alianza has received mini grants for our efforts – with the first installment of \$5,000, and the second, being \$10,000. While critical to our work for offsetting some transportation and administrative costs, the amounts from past awards have left us under-resourced in terms of our ability to compensate personnel and conduct outreach.

Project Description and Use of District funds:

In alignment with the Desert Healthcare Foundation's mission, we provide food and resources to everyone who comes to our distribution events, regardless of their legal status, race, gender, and economic need. Our project, also, enhances the economic stability of Coachella Valley residents while also expanding access to care services. Concerning specifics, grant funds will be used towards equipment rentals, logistical overhead, and basic supply needs, as well as for compensating personnel and assisting us conduct culturally-appropriate outreach to include all residents from the Coachella Valley who are in need. Our community partner, Food Forward, supplies us monthly with 24 pallets of produce for each food distribution. Proper deployment and movement of these produce cases and pallets requires us to rent forklifts, as well as pay for garbage collection and sanitation, truck rentals, gas, and on-site supplies like gloves, EZ-UPs, tables, garbage bags, box cutters, and PPE. We also provide hot food and cold beverages for all our volunteers and community partners, mainly as our events take place for multiple hours. Meanwhile, our food distribution event is led by farmworkers, many who assist us as volunteers. Our impact has been significant, as we have reached 1,600 farmworker families at each distribution. We work in 15 communities in the southeastern Coachella Valley including Coachella, Thermal, Oasis, Mecca, and North Shore. Still, we know that there are more families in need, as our outreach has been minimal until now.

Strategic Plan Alignment:

Goal 5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis)

Strategy 5.3: Reduce the negative impacts of social determinants of health on poverty in Coachella Valley (Priority: Moderate/Low)

Project Deliverables and Evaluation

<p>Deliverable #1: By October 31, 2024, we will have distributed food and other items (e.g. diapers, toothpaste, etc) to approximately 102,000 people. We base our estimate on increasing our monthly providing assistance to from 1,200 families, who we currently serve, to 1,700. We estimate that each family has approximately 5 members. Therefore, we will increase the number of people we currently serve from 6,000 a month to approximately 8,500. 8,500 people each month, for the next year, totals 102,000 individuals. Also, we have found in our past distribution efforts that many people are in need, but cannot travel to the distribution sites. We adapted our distribution efforts by including within the project a delivery service to people. For this project, we will also include these people into our final account, keeping track of the items and the number of people who we make deliveries to.</p>	<p>Evaluation #1: We have developed an instrument (i.e. a form) to track families with the number of individuals at each food distribution. We track the families as they arrive, while also counting the people we provide assistance to away from the site when we do deliveries. We keep track of these figures monthly with a spreadsheet.</p>
<p>Deliverable #2: By October 31st, 2024, we will have conducted outreach to approximately 50,000 individuals to notify them about our food distribution events. Alianza staff will continuously engage in at least two outreach activities per week to disseminate information in our community on our food distribution efforts. We will reach approximately 4,500 people a month by engaging them in community venues (i.e</p>	<p>Evaluation #2: Similar to our food distribution efforts, concerning outreach, we will have staff track media appearances, including engagement with radio stations and local television outlets. We will track our outreach efforts in spreadsheets. Staff will also document where they conduct outreach, documenting where they distribute flyers. Alianza will revise and</p>

<p>churches), as well as at cultural and collaborative events to share about our work and invite them to the monthly distribution sites.</p>	<p>refine the brochure/announcement about food insecurity and poverty in the Coachella Valley. We will announce the distributions of food & personal and household items at our local projects (like USDA FFWR and Mother Earth Project and others). These projects allow us to provide announcements to individuals. We will also work with local TV stations like Univision and Telemundo as well as with local Spanish radio stations. Currently, our outreach is done primarily through social media and word of mouth. With additional resources, we will compensate staff who will discuss the food distribution events on the radio, local television channels, social media platforms and distribute flyers person to person in hard to reach areas.</p>
--	--

Project Demographic Information

Target Geographic Area(s) To Be Served:

Cathedral City, Coachella, Desert Palms, Indian Wells, Indio, La Quinta, Mecca, North Shore, Oasis, Palm Desert, Palm Springs, Rancho Mirage, Thermal

Target Population Age Group:

0 to 5, 6 to 17, 18 to 24, 25 to 39, 40 to 54, 55 to 64, 65+

Target Population Ethnicity:

Hispanic/Latino (of any race)

Target Population Race:

Some other race

Additional Target Population Information:

Farmworker and immigrant families. Families living under poverty and many who are women head of households.

Capacity, Sustainability, and Partnerships

Organizational Capacity

Alianza currently relies primarily on volunteers to organize the monthly food distribution events. With assistance from this grant, we will compensate two staff people \$15,000 a

piece for coordinating volunteers, conducting outreach in farmworker communities, and establishing relationships with partners, including universities. For the past year, we have already organized food distribution events. This experience provides us with critical connections in the community, as well as with knowledge of what can be improved. We have also acquired a reputation as a reliable community partner who provides essential resources to people in need. Furthermore, we have developed an organizational structure for food distribution in the Coachella Valley that not only involves volunteers from the community, but key Alianza staff members who also coordinate events. Our staff has decades of community experience, especially in Southern California among farmworkers and other historically marginalized people. As a result, our staff brings with them the necessary skills for working in the community, including the required patience, dedication, and strength. Native from the area as well, our staff understands the challenges that extreme weather presents, as well as what is needed to connect with community members despite inhospitable conditions.

Organizational Sustainability:

We have received two small awards from the Desert Healthcare District & Foundation over the past year. While critical in our ability to run the food drives, we simply require more to keep the effort going into the future and meet community needs. In general, for our organization overall, we rely on various other foundations to maintain our staff, as well as on appealing to individuals for donations. Our organization also regularly searches for new grant opportunities, while also evaluating and reevaluating our needs in light of the changing political context. We have a finance team that manages our resources and that ensures that staff are compensated. We also employ consultants to search out and apply for grants, communicating with staff and the board on our organization's needs.

Partnerships/Collaborations:

- **Water Drop** - donates cases of water for the food distribution event.
- **Food Forward** - organization that brings pallets of produce.
- **Baby2Baby** - organization that donates household and hygienic items.
- **La Vina del Senor** - helps distribute during the food distribution event.
- **La Mision San Jose** - location where food distribution is held and helps distribute.
- **Lideres Campesinas** - organization that helps to organize food distribution and works it.
- **Burrtec** - waste services company
- **Polo's Pantry** - organization that provides baby formula, household articles and backpacks.

- **Coachella Valley Volunteers in Medicine**- gets volunteers and helps with some household articles.
- **IEHP** - has given us donations.

Diversity, Equity, Inclusion, and Belonging (DEI)

How does your organization address DEI in your policies, strategic plan, board and staff, etc.?

Our organization was created by farmworker women to serve farmworker communities and their families. We are made up of 15 member organizations whose staff vary in race, ethnicities, sex, & ages. Our direct staff is mostly composed of Latinx women and 2 males whose ages range between 20s-60s. Our executive director and board members are all Latinx women.

What barriers does your organization face when addressing DEI?

Our main problem is compensation. Many of our staff, as well as volunteers – not only the people who dedicate their time and energy to the food distribution events – are farmworkers, or hail from farmworker families themselves. This means that they often struggle with a lack of access to finances, as farmworkers are paid poorly, as well as often work long hours.

Grant Budget

Project Grant Budget				
Applicant:		ENTER NAME HERE		ENTER PROJECT TITLE HERE
OPERATIONAL EXPENSES		Total Project Budget	Funds From Other Sources Detail On Section 3	Amount Requested From DHCD/F
Total Staffing Expenses Detail on Section 2		\$ 30,000.00	\$ -	\$ 30,000.00
Equipment (itemize)				
1	Forklift/Services	\$ 4,200.00	\$ 700.00	\$ 3,500.00
2	Sanitation	\$ 4,620.00	\$ 4,620.00	
3	Vehicle Rentals	\$ 2,250.00	\$ 951.00	\$ 1,299.00
4			\$ -	
Supplies (itemize)				
1	On-Site food services	\$ 1,800.00	\$ 300.00	\$ 1,500.00
2	Gloves, PPE	\$ 1,710.00	\$ 50.00	\$ 1,660.00
3			\$ -	
4			\$ -	
Printing / Duplication		\$ 6,000.00	\$ 2,500.00	\$ 3,500.00
Mailing / Postage		\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
Travel/Mileage (use current Federal mileage rate)		\$ 2,575.20	\$ 1,575.20	\$ 1,000.00
Gas for rentals		\$ 1,080.00	\$ 540.00	\$ 540.00
Other Direct Project Expenses Not Described Above (itemize)				
1	Stipends for people helping with distributions	\$ 6,000.00	\$ -	\$ 6,000.00
2			\$ -	
3			\$ -	
4			\$ -	
<p>* Items listed below are included for calculation of the total project budget only. For use of DHCD/F funds, these line items would be included in the allowable 15% indirect cost rate.</p>				
Office / Rent / Mortgage*		\$ 6,000.00	\$ 6,000.00	\$ -
Telephone / Fax / Internet*		\$ 12,000.00	\$ 12,000.00	\$ -
Utilities*		\$ -	\$ -	\$ -
Insurance*		\$ 10,000.00	\$ 10,000.00	\$ -
Indirect Rate	<input checked="" type="checkbox"/> Check Box To Utilize Indirect Rate Up To 15%	Enter Rate	15.00%	\$ 7,499.85
Total Project Budget (Rounded up to nearest dollar)				
		\$ 97,736	\$ 40,237	\$ 57,499
Budget Narrative	<p style="color: red; font-size: small;">Forklift services rental once a month to assist with monthly food distributions, transporting/organizing pallets of food to be distributed approximately \$350 a month. Vehicle Rentals; UHAUL or pick up trucks to transport pallets of food to farmworker mobile home parks for those that have no transportation to main distribution location. On site food services- Funds to purchase food supplies to make meals for volunteers helping with distributions. Gloves ,PPE for volunteers and anyone assisting with the distribution. Printing and Duplication; flyers and information. Mailing and Postage; shipping costs for shirts and other supplies that may be purchased to be used at distribution. Travel/Mileage; Mileage for 2 staff assisting with this project and executive Director. Gas for Rentals; for UHAUL Vehicle. Stipends for people helping with distributon. We have two kinds of stipends 1.) for volunteers that assist with distributing at least 30 bags of food to 30 families each to farworkers that live in remote areas (6 to 8 people amount \$75 per person) and 2.) Stipends to volunteers that provide transportation for delivering to remote areas to cover their gas or mileage (6 to 8 people amount varies depending on distance but a range of 80 to 120 dollars).</p>			

Version 07.07.23 Please see instructions tab for additional information

Staff Salary Expenses		Annual Salary	% of Time Allocated to Project	Total Project Salary	Amount Requested from DHCD/F
Employee Position/Title					
1	Elizabeth Jaime	\$ 45,760.00	28%	12,812.80	\$ 12,812.80
2	Dolores Trevino Sosa	\$ 45,760.00	28%	12,812.80	\$ 12,812.80
3				-	
4				-	
5				-	
6				-	
Enter Total Employee Benefits / Employer Taxes % (Proportional Fringe Costs and/Or Employer Taxes Based On % Of Time Allocated To Project)			17.07%	4,374.40	4,374.40
Total Will Populate In Total Staffing Expenses Section 1			Total >	\$ 30,000.00	\$ 30,000.00
Budget Narrative - Scope of Work	Elizabeth Jaime and Dolores Trevino Sosa will dedicate 28% of their time to help with coordination of monthly food distributions. Duties include, attending planning calls, coordinate with volunteers, making sure certificate of insurance are in place for event, flyers, forklift rentals, food for volunteers is arranged, help with set up and pick up after the food distribution among other tasks.				
Budget Narrative - Employee Benefits	Employee Fringe benefits include Simple IRA, Health and Medical Insurance, long/short term disability.				
Professional Services / Consultant Expenses		Hourly Rate	Hours/Week	Total Project Fee	Amount Requested from DHCD/F
Company and Staff Title					
1					
2					
3					
4					
Total Will Populate in Total Staffing Expenses Section 1			Total >	\$ -	\$ -
Budget Narrative - Scope of Work	Please describe in detail the scope of work for each professional service/consultant on this grant.				

Funds From Other Sources (Actual Or Projected) SPECIFIC To This Project		
"Total Funding In Addition To DHCD/F Request" Below Should Match Or Exceed Value Listed In Section 1 for "Funds from Other Sources".		Amount
Fees		
Donations- General Fund		\$ 7,500.00
Grants (List Organizations)		
1	Women Donors	\$ 5,000.00
2	VDAY	\$ 5,000.00
3	IEHP	\$ 2,500.00
8	Hilton Foundation	\$ 10,000.00
9	Alliance Healthcare Foundation	\$ 10,000.00
10		
Fundraising (Describe Nature Of Fundraiser)		
1		
2		
3		
8		
Other Income, e.g., Bequests, Membership Dues, In-Kind Services, Investment Income, Fees From Other Agencies, Etc. (Itemize)		
1		
2		
3		
8		
Total Funding In Addition To DHCD/F Request		\$ 40,000.00
Budget Narrative	Please describe in detail any additional information or explanations for items listed above.	

Version 07.07.23 Please see instructions tab for additional information



Full Grant Application Scoring



SCORING PARAMETERS

0 TO 1 POINTS	Does Not Meet Expectations
2 TO 3 POINTS	Needs Improvement
4 TO 5 POINTS	Meets or Exceeds Expectations

Total Points Possible = 50 points

Grant Information			
Grant Number:	Organization:	Project Title:	Funding Request:
1410	Alianza Nacional de Campesinas	Coachella Valley Farmworkers Food Distribution	\$57,499.00
Programmatic Scoring Review			
Community Need for the Project in Coachella Valley (5 points)	The applicant identifies and describes a specific need(s) for the project within the Coachella Valley by providing relevant, valid data that highlights the full scope of the need. The applicant clearly connects the community need to the project’s targeted population.		
Reviewer 1 - Score: 3.5	Reviewer 1 - Score Explanation: Addresses the challenges that have led to increased food insecurity but does not provide data that highlights the full scope of the need.		
Reviewer 2 - Score: 4	Reviewer 2 - Score Explanation: This project focuses on food insecurity within the farm worker community in the Coachella Valley. This community has been impacted by the COVID 19 pandemic and this additional support is greatly needed at this time.		
Reviewer 3 - Score: 4	Reviewer 3 - Score Explanation: Food insecurity continues to be an issue in many areas of the Coachella Valley. Alianza Nacional de Campesinas addresses this issue in the Eastern Coachella Valley by providing food boxes and other items to roughly 1,600 families on a monthly basis. Additional data to highlight food insecurity in the Coachella Valley would have demonstrated the community’s need.		
Reviewer 4 - Score: 4.5	Reviewer 4 - Score Explanation:		

	The applicant clearly defines the community need that qualifies for their distribution of food and other resources.
Project Description and Use of Funds (5 points)	The applicant describes the scope of the project and how the organization will utilize the Desert Healthcare District's funding. The applicant clearly states the approach they are going to take to meet the community's need and specifies how the success of this project directly relates to the District's mission and current Strategic Plan.
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: Additional details of the scope of the project and how the District funds help to achieve the reach is needed.
Reviewer 2 - Score: 4	Reviewer 2 - Score Explanation: Use of District funds will go toward two staff positions that will coordinate the scheduling of food events, will insure that the events are successfully implemented and will coordinate the work of the volunteers for each event. Funds will also go toward the equipment and supplies needed at these events.
Reviewer 3 - Score: 4	Reviewer 3 - Score Explanation: The project description and use of grant funds description was very thorough and provided key details on the use of district funds, including the alignment to the District's mission and strategic plan.
Reviewer 4 - Score: 4.5	Reviewer 4 - Score Explanation: The applicant clearly defines the scope of the project and use of District funds. It meets the strategic plan goals and strategies.
Alignment to District Goals, Strategies, and Performance Measures (5 points)	The applicant effectively describes the alignment of the project to the Desert Healthcare District and Foundation 2021-2026 Strategic Plan goals, strategies and performance measures.
Reviewer 1 - Score: 5	Reviewer 1 - Score Explanation: Project helps meet the District's Strategic Plan alignment goal 5.
Reviewer 2 - Score: 4	Reviewer 2 - Score Explanation: This project aligns with District strategic plan goal 5, strategy 5.3 (On a situational basis, play a role in raising awareness of/facilitating progress on the social determinants of health specific to poverty among community residents and be a catalyst for community organizations to act in implementing solutions.
Reviewer 3 - Score: 5	Reviewer 3 - Score Explanation: The grant proposal aligns with the DHCD Strategic Plan goals and strategies.
Reviewer 4 - Score:	Reviewer 4 - Score Explanation:

4	The project is in alignment with a moderate priority rating strategic plan goal and strategy
<p>Project Deliverables and Evaluation (5 points)</p>	<p>The applicant provides project deliverables that are specific, measurable, attainable, and time-bound. Project deliverables must align with at least one of the Desert Healthcare District and Foundation’s 2021-2026 Strategic Plan goals and a related strategy/strategies. Additionally, applicant clearly demonstrates the alignment of their project deliverables to the appropriate performance measures, as outlined in the application instructions.</p> <p>Each evaluation corresponds to a project deliverable. The evaluation accurately measures the project’s effectiveness, impact and includes appropriate qualitative and/or quantitative tracking methods. The evaluation section includes well-defined data reporting mechanisms and/or a clear and transparent narrative.</p> <ul style="list-style-type: none"> • Evaluation measures and methods are clear; the applicant defines how they envision success. • Evaluation is in alignment with the deliverables of the project. • Evaluation is in alignment with identified Desert Healthcare District and Foundation’s 2021-2026 Strategic Plan goal(s), strategies, and performance measure(s). • An explanation is provided on how the data collected from the project will be utilized for future programming, partnerships, and/or funding.
<p><u>Reviewer 1 - Score:</u> 4</p>	<p><u>Reviewer 1 - Score Explanation:</u> More details on how the applicant reached a family estimate of five members would help to better understand the numbers associated with the deliverables.</p>
<p><u>Reviewer 2 - Score:</u> 4</p>	<p><u>Reviewer 2 - Score Explanation:</u> This project will increase the number of families served from 1200 to 1700 (an increase of 500 families). This project considers a family to be comprised of 5 members. This project also focuses on increasing the number of events scheduled and the number of families served. Increasing the use of social media to announce events is the method being implemented to achieve these results. These trends will be evaluated through a survey given to the families participating as to the food they are receiving and whether it meets their needs and the team will meet monthly to go through the results. Staff will track where they distributed flyers as part of community outreach, media outreach and social media outreach.</p>
<p><u>Reviewer 3 - Score:</u> 4</p>	<p><u>Reviewer 3 - Score Explanation:</u> The project deliverables and evaluation of the project were detailed and met the requirements for this section, however, it failed to describe how the participants would qualify and/or be identified to participate in the food distribution.</p>
<p><u>Reviewer 4 - Score:</u> 4</p>	<p><u>Reviewer 4 - Score Explanation:</u> The deliverables are SMART and the evaluation of the deliverables is in alignment.</p>

<p>Organizational Capacity (5 points)</p>	<p>The applicant details their organization’s capacity to meet the demands of this project including allocated staff time, internal expertise, organizational structure, etc. Applicant includes examples that demonstrate that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.). The applicant demonstrates reliability for this kind of work (strength, a history or track record of achievements, related mission, and letters of support).</p>
<p>Reviewer 1 - Score: 4</p>	<p>Reviewer 1 - Score Explanation: Additional details on the organization’s capacity to meet the demands of this project including allocated staff time, internal expertise, organizational structure, etc is needed.</p>
<p>Reviewer 2 - Score: 5</p>	<p>Reviewer 2 - Score Explanation: Alianza has extensive experience with working with volunteers to provide the necessary coordination and execution of activities to result in getting food to families in need. The addition of two team members to support these efforts will increase capacity in this area.</p>
<p>Reviewer 3 - Score: 5</p>	<p>Reviewer 3 - Score Explanation: Alianza Nacional de Campesinas has a proven track record and has the organizational capacity to successfully implement the project.</p>
<p>Reviewer 4 - Score: 5</p>	<p>Reviewer 4 - Score Explanation: The applicant has the organizational capacity through many volunteers to meet the demands of the is project.</p>
<p>Organization Sustainability (5 Points)</p>	<p>The application highlights their organization’s sustainability strategies around funding, staff recruitment/retention, effective collaboration and partnerships, thoughtful long-term planning, etc.</p>
<p>Reviewer 1 - Score: 4</p>	<p>Reviewer 1 - Score Explanation: Applicant highlights their search for grants to sustain their program but misses details on recruitment/retention.</p>
<p>Reviewer 2 - Score: 4</p>	<p>Reviewer 2 - Score Explanation: The sustainability of this project’s food drive model, relies on the established coordination with community providers that also provide supportive services while Alianza continues to focus on additional funding through the efforts of their finance team.</p>
<p>Reviewer 3 - Score: 5</p>	<p>Reviewer 3 - Score Explanation: Alianza Nacional de Campesinas has created a network Promotoras and partners to increase their reach in the community and have a long list of funding streams to ensure the sustainability of the food distribution drives.</p>
<p>Reviewer 4 - Score: 3</p>	<p>Reviewer 4 - Score Explanation: The applicant relies heavily on grants to maintain their efforts. Suggest some capacity building assistance with NPO Centric.</p>

Partnerships/Collaborations (5 Points)	The application demonstrates a collaborative process that includes multiple community partners involved in planning and implementation. Organizational partners are listed and each of their roles in the project are outlined. Letters of support and/or memorandums of understanding are included, as appropriate.
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: Applicant highlights the contributions of their various partners but not how they are involved in planning and implementation
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: Alianza coordinates support activities through collaboration with a network of community organizations that provide additional resources/items during the food drive events which include hygiene items and baby formula.
Reviewer 3 - Score: 3	Reviewer 3 - Score Explanation: Alianza Nacional de Campesinas has a long list of partnerships and collaborations to help them achieve their mission and successfully implement this project, along with providing referrals for their participants. However, they have not established a partnership with the local food bank to increase their capacity and food available for distribution.
Reviewer 4 - Score: 4	Reviewer 4 - Score Explanation: The applicant has collaborative partners that work together to distribute food and other resources/supplies to the farmworker community. A few of these partnerships are with organizations outside of the Coachella Valley.
Budget (5 points)	The budget is specific and reasonable, and all items align with the described project. The proposed budget is accurate, cost-effective, and linked to activities and deliverables. <ul style="list-style-type: none"> • There are no unexplained amounts. • The overall significance of the project, including the relationship between benefits and/or participants to the programmatic costs are reasonable. • All line items are identified clearly in the budget narrative. • The budget shows committed, in-kind, or other funds that have been identified, secured, and in place to support the project.
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: The budget outlines the programmatic expenses but is missing a narrative for other funding sources.
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: The budget identified the use of District funds, the staff costs and the additional funding Alianza is receiving from other sources.

<u>Reviewer 3 - Score:</u> 5	<u>Reviewer 3 - Score Explanation:</u> The grant proposal budget is adequate and in line with the proposed deliverables, along with identifying and securing additional funding.
<u>Reviewer 4 - Score:</u> 4	<u>Reviewer 4 - Score Explanation:</u> The budget is reasonable; however the requested amount reflects 58% of the total project budget.
Fiscal Scoring Review	
Fiduciary Compliance (5 Points)	The applicant demonstrates a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financial statements produced in a timely fashion, positive cash flow at the end of each fiscal year, asset ratio meets required debt load, and the Board reviews financial statements regularly.
<u>Reviewer 1 - Score:</u> 5	<u>Reviewer 1 - Score Explanation:</u> Unmodified financial statements presented to and reviewed by the Board. Positive cash flow noted for both presented years, and details sufficient assets to address liabilities. Board approval of financial statements presented.
<u>Reviewer 2 - Score:</u> 4	<u>Reviewer 2 - Score Explanation:</u> The FY 12/31/22 audit report is unmodified. The Board of Directors accepted the audit report. Audit report Current Ratio is strong (200:1), which represents the grantee's ability to pay its short-term liabilities. The Net Assets increased by \$1.5M as of 12/31/22, with Total Net Assets of \$2.5M. Internal financial statements, as of 6/30/23, shows a decrease of \$342k. The Balance Sheet is in good order.
Financial Stability (5 Points)	Funding sources for operations and programs are from multiple sources and are driven by a strategic plan for stability for both short- and long-term growth. If a strategic plan does not exist, other documentation is presented to identify future sources of funding. The requested grant amount is reasonable in comparison to the overall organizational budget.
<u>Reviewer 1 - Score:</u> 4.5	<u>Reviewer 1 - Score Explanation:</u> Strategic plan included but did not appear to detail how future funding would be obtained. The requested grant amount is reasonable in comparison to the overall organizational budget, which lists funding from multiple sources.
<u>Reviewer 2 - Score:</u> 4	<u>Reviewer 2 - Score Explanation:</u> Grantee demonstrates a sound financial position. Grantee presents a strategic plan, but with limited detail. Grantee has diversified resources for this project of \$98k. The District's grant of \$57k is supported by other resources.

TOTAL SCORES - PROGRAMMATIC		TOTAL SCORES - FISCAL	
REVIEWER 1	32.5/40 POINTS = 81%	REVIEWER 1	9.5/10 POINTS = 95%
REVIEWER 2	35/40 POINTS = 87.5%	REVIEWER 2	8/10 POINTS = 80%
REVIEWER 3	35/40 POINTS = 87.5%	AVERAGE	8.75 POINTS = 87%
REVIEWER 4	33/40 POINTS = 82.5%		
AVERAGE	34 POINTS = 85%		

Average Total Score: 43 / 50 = 86%

EXHIBIT B

PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
Coachella Valley Farmworkers Food Distribution	11/01/2023 10/31/2024

PAYMENTS:

(2) Payments: \$25,875
10% Retention: \$5,749

Total request amount: \$ 57,499.

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
11/01/2023	Signed Agreement submitted & accepted.	Advance of \$25,875. for time period 11/01/2023 - 4/30/2024
6/01/2024	1st six-month (11/01/2023 - 4/30/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$25,875. for time period 5/01/2024 - 10/31/2024
12/01/2024	2nd six-month (5/01/2024 - 10/31/2024) progress report, budget reports and receipts submitted & accepted	\$0
12/15/2024	Final report (11/01/2023 - 10/31/2024) and final budget report submitted & accepted	\$5,749 (10% retention)

TOTAL GRANT AMOUNT: \$ 57,499.

DELIVERABLES:

Project Deliverables and Evaluation

<p>Deliverable #1: By October 31, 2024, we will have distributed food and other items (e.g. diapers, toothpaste, etc) to approximately 102,000 people. We base our estimate on increasing our monthly providing assistance to from 1,200 families, who we currently serve, to 1,700. We estimate that each family has approximately 5 members. Therefore, we will increase the number of people we currently serve from 6,000 a month to approximately 8,500. 8,500 people each month, for the next year, totals 102,000 individuals. Also, we have found in our past distribution efforts that many people are in need, but cannot travel to the distribution sites. We adapted our distribution efforts by including within the project a delivery service to people. For this project, we will also include these people into our final account, keeping track of the items and the number of people who we make deliveries to.</p>	<p>Evaluation #1: We have developed an instrument (i.e. a form) to track families with the number of individuals at each food distribution. We track the families as they arrive, while also counting the people we provide assistance to away from the site when we do deliveries. We keep track of these figures monthly with a spreadsheet.</p>
<p>Deliverable #2: By October 31st, 2024, we will have conducted outreach to approximately 50,000 individuals to notify them about our food distribution events. Alianza staff will continuously engage in at least two outreach activities per week to disseminate information in our community on our food distribution efforts. We will reach approximately 4,500 people a month by engaging them in community venues (i.e churches), as well as at cultural and collaborative events to share about our work and invite them to the monthly distribution sites.</p>	<p>Evaluation #2: Similar to our food distribution efforts, concerning outreach, we will have staff track media appearances, including engagement with radio stations and local television outlets. We will track our outreach efforts in spreadsheets. Staff will also document where they conduct outreach, documenting where they distribute flyers. Alianza will revise and refine the brochure/announcement about food insecurity and poverty in the Coachella Valley. We will announce the distributions of food & personal and household items at our local projects (like USDA FFWR and Mother Earth Project and others). These projects allow us to provide announcements to individuals. We will also work with local TV stations like Univision and Telemundo as well</p>

	<p>as with local Spanish radio stations. Currently, our outreach is done primarily through social media and word of mouth. With additional resources, we will compensate staff who will discuss the food distribution events on the radio, local television channels, social media platforms and distribute flyers person to person in hard to reach areas.</p>
--	---

The Desert Healthcare District has implemented Results-Based Accountability (RBA) into their grantmaking process to streamline reporting and offer a straightforward approach to effectively measuring program-level performance.

Strategic Plan Alignment:

Goal 5: Be responsive to and supportive of selected community initiatives that enhance the economic stability of the District residents (on a situational basis)

Strategy 5.3 Reduce the negative impacts of social determinants of health on poverty in Coachella Valley (Priority: Moderate/Low)

You have selected Strategy 5.3

Your project deliverables need to capture the following performance measures.

- # of community engagement/awareness activities
- # of clients/potential clients reached through awareness efforts
- # of clients who were directly connected to services and/or resources



Date: October 24, 2023

To: Board of Directors

Subject: Grant # 1413 Voices for Children

Grant Request: Court Appointed Special Advocate (CASA) Program

Amount Requested: \$81,055.00

Project Period: 11/01/2023 to 10/31/2024

Strategic Plan Alignment:

The mission of Voices for Children (VFC) is to transform the lives of abused, abandoned, or neglected children by providing them with trained, volunteer Court Appointed Special Advocates (CASAs). During FY 2023-24, approximately 5,000 Riverside County children will spend time in foster care. Approximately 900 of these children will come from communities within the Desert Healthcare District & Foundation.

Each child entering the system has experienced multiple adverse childhood experiences at the hands of a caregiver or parent. According to youth.gov, "Permanent relationships with positive adults are a powerful protective factor against negative outcomes and can provide critical support to youth as they transition to adulthood." A CASA volunteer is a critical element to help children achieve better outcomes. CASAs are volunteers who provide an individual child or sibling group in foster care with comprehensive, individualized advocacy in court, in healthcare settings, and in the community. CASAs commit to serving 10-15 hours a month for a minimum of 18 months. CASAs advance the physical and mental health of marginalized children living in foster care by ensuring that their health needs are not overlooked and helping them to consistently access physical and mental/behavioral health services.

During fiscal year (FY) 2023-24, VFC will provide CASAs to 540 youth throughout Riverside County, including those in the Coachella Valley. All of these children were removed from their homes after suffering abuse or neglect. VFC is the only organization authorized by the Superior Court to provide CASAs to children in Riverside County. The organizational cost of recruiting, training, and supervising a CASA volunteer for a year is \$2,000. District funds will cover a portion of the salaries for VFC's CASA program staff providing 40 Coachella Valley children with CASAs who will ensure that they have



access to primary and/or specialty healthcare services and any necessary mental/behavioral health services.

Goal 2: Proactively expand community access to primary and specialty care services

Goal 3: Proactively expand community access to behavioral/mental health services

Strategy 2.7: Increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley (Priority: High)

Strategy 3.6: Increase awareness of behavioral/mental health resources for residents in Coachella Valley (Priority: Moderate)

Geographic Area(s) To Be Served:

All areas

Action by Program Committee: (Please select one)

- ✓ Full recommendation and forward to the Board for consideration with the Committee's recommendation that a grant amount of \$81,055.00 be approved.

Recommendation with modifications

Request for more information

Decline



Grant Application Summary

Voices for Children, Grant # 1413

About the Organization

Voices for Children
2851 Meadow Lark Drive
San Diego, CA 92123
858-569-2019

www.speakupnow.org

Tax ID #: 95-3786047

Primary Contact:

Jessie Stein, Institutional Giving Manager
858598-2283
jessies@speakupnow.org

Organization's Mission Statement and History

The mission of Voices for Children (VFC) is to transform the lives of abused, abandoned, or neglected children by providing them with trained, volunteer Court Appointed Special Advocates (CASAs). CASAs are community volunteers who advocate for the best interests of children in foster care, ensuring that their needs do not slip through the cracks of the overburdened foster care system. VFC has served children in foster care in Riverside County since 2015 and in San Diego County since 1980. After the previous Riverside County CASA nonprofit closed in 2014, the Judicial Council and the Riverside Superior Court asked VFC to expand our program to support children in Riverside County.

VFC's Riverside County CASA program has served more children each year since our program's inception. During fiscal year (FY) 2023-24, VFC will provide CASAs to 540 youth throughout Riverside County, including those in the Coachella Valley. All of these children were removed from their homes after suffering abuse or neglect. VFC is the only organization authorized by the Superior Court to provide CASAs to children in Riverside County.

Organization Annual Budget: \$8,854,132.00

Project Information

Project Title: Court Appointed Special Advocate (CASA) Program

Start Date: 11/01/2023 **End Date:** 10/31/2024

Total Project Budget: \$1,527,257.00

Requested Amount: \$81,055.00

Community Need for this Project in the Coachella Valley:

During FY 2023-24, approximately 5,000 Riverside County children will spend time in foster care. We estimate that approximately 900 of these children will come from communities within the Desert Healthcare District & Foundation. Each child has experienced multiple adverse childhood experiences (ACES) at the hands of a caregiver or parent. These experiences are often the result of intergenerational trauma caused by poverty, racism, and/or discrimination. Once in foster care, children experience additional trauma as a result of being separated from their family and siblings, living with strangers, and the uncertainty of not knowing when or if they will ever be reconnected with their family. During this time, juvenile court judges are responsible for major decisions in a child's life such as where they will live, the services they can access, and all of their medical and educational needs. Juvenile court judges must make critical decisions with the information that they are presented, but they do not have the capacity to know the details of each child's case. Well-intended professionals – social workers and children's attorneys – have huge hearts for children, but they too have limited bandwidth. Children in foster care need more attention from one consistent adult who is aware of their needs and also has an understanding of the foster care system.

Trauma and abuse puts children and youth at high risk for adverse consequences throughout their life. Unstable housing, homelessness, insufficient elementary or secondary education, lack of access to health care, lack of social connections and justice system involvement are a few of the incredible challenges that children may encounter during and after foster care. Children in foster care are twice as likely as their peers to have mental and physical health challenges, including developmental delays, anxiety, depression, asthma, obesity, and vision problems (Turney and Wildeman, "Mental and Physical Health of Children in Foster Care," Pediatrics, Nov. 2016). Research shows that children who experience ACES also have poor long-term health outcomes, which may include chronic illness, cancer, heart disease, and a shorter life expectancy (Felitti, et al., "Relationship of Childhood Abuse and Household Dysfunction to Many of the Leading Causes of Death in Adults," American Journal of Preventive Medicine, 1998). These dire outcomes can be mitigated. Research from the Center for the Study of Social Policy suggests that social support and equitable access to essential services will strengthen children and families that have had experience with the child

welfare system. According to youth.gov, “Permanent relationships with positive adults are a powerful protective factor against negative outcomes and can provide critical support to youth as they transition to adulthood.” A CASA volunteer is a critical element to help children achieve better outcomes.

Currently, there 20 District youth who have been referred to VFC by local social workers, attorneys, and judges. Each of these children is waiting to be matched with a CASA who will advocate on his or her behalf.

Project Description and Use of District funds:

VFC respectfully requests an \$81,055 grant to support the CASA Program in the Coachella Valley. This grant will enable VFC to provide CASAs to 40 Coachella Valley children in foster care. CASAs are volunteers who provide an individual child or sibling group in foster care with comprehensive, individualized advocacy in court, in healthcare settings, and in the community. CASAs commit to serving 10-15 hours a month for a minimum of 18 months. CASAs advance the physical and mental health of marginalized children living in foster care by ensuring that their health needs are not overlooked and helping them to consistently access physical and mental/behavioral health services.

Physical Health: CASAs ensure that the health needs of children in foster care are monitored and prioritized. They review a child’s medical record, communicate with health professionals, and track a child’s health needs, medical and dental exams, medications, immunizations, and referrals to specialty and allied health services such as speech therapy, occupational therapy, and physical therapy. When children change placements, CASAs ensure that caregivers, group homes, and temporary housing programs receive vital information about a child’s medications, allergies, and health risks. They also expediently connect children who have changed placements with new health providers and minimize gaps in care. CASAs help mediate barriers to healthcare, including transportation challenges or issues with Medi-Cal. CASAs can coordinate or provide transportation to medical appointments for a child. When CASAs determine that children are unable to access the healthcare services they need, they share their concerns with the social worker, attorney, and judge and advocate for solutions.

Mental and Behavioral Health: CASAs also play an important role in monitoring and advocating for a child’s mental and behavioral health. CASAs observe a child’s behavior during one-on-one visits and ask teachers and caregivers about a child’s behavior at home and in school. Oftentimes, a CASA is the adult who has been in a child’s life for the longest. As a result, they may be the first to notice changes in a child’s behavior and mood that may warrant therapeutic assessment and intervention. CASAs also monitor and report on a child’s progress on their therapeutic goals. If a child is not consistently accessing mental health services, not making progress, or otherwise struggling with mental and behavioral health, a CASA may notify a child’s welfare team to address the issue.

Every six months, CASAs submit comprehensive, written reports to the Court about a child. This information provides judges with critical insight into a child's overall well-being and access to necessary healthcare services. If a child is not receiving adequate care, the judge can use their position to ensure a child's health needs are addressed.

A grant from the Desert Healthcare Foundation & District will cover a portion of the salaries for VFC's CASA program staff and associated indirect expenses. Each year, VFC's program staff support more than 350 active CASAs in Riverside County, including at least 100 new CASAs who are recruited and trained each year. VFC program staff coordinate more than 35 hours of training for CASA trainees and screen CASAs through multiple background checks before matching them with a child. VFC staff members called Advocacy Supervisors provide guidance to each CASA volunteer. They educate CASAs about the foster care system, assist them to identify beneficial services and resources, and accompany them to child welfare meetings and court hearings.

Ultimately, VFC's purpose is to provide children in foster care with a consistent, caring, and trusted adult who will advocate to remove any barriers that exist and ensure that they are safe, healthy, and have access to all of the services and supports they need.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Goal 3: Proactively expand community access to behavioral/mental health services

Strategy 2.7: Increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley (Priority: High)

Strategy 3.6: Increase awareness of behavioral/mental health resources for residents in Coachella Valley (Priority: Moderate)

Project Deliverables and Evaluation

<p>Deliverable #1: By October 31, 2024, 40 underserved Coachella Valley youth in foster care will be matched with a CASA who will ensure that they receive primary and/or specialty healthcare</p>	<p>Evaluation #1: CASA Matching: We use CASA Manager, a database developed for CASA programs, to maintain a waitlist of children referred for CASA services by judges, attorneys, and social workers, and to track the progress of CASA trainees as they complete 35 hours of training. Our Managing Director of Programs</p>
---	---

<p>services. This project goal coincides with the District and Foundation’s Strategic Plan performance measure: “# of individuals who were connected to primary and specialty healthcare services in underserved communities” under strategy 2.7: “Utilize an equity lens to expand services and resources to underserved communities.”</p>	<p>monitors the number of children matched with CASAs each month and adjusts our CASA volunteer recruitment strategies to ensure that we achieve our goals.</p> <p>Access to primary and specialty healthcare services: VFC Advocacy Supervisors monitor each child’s access to health services on a monthly basis as they receive updates from CASAs. Every six months, Advocacy Supervisors and CASAs work together to complete a court report, which includes a comprehensive status update for the judge about a child’s health, including information about their medical and dental exams, immunizations, prescribed medications, developmental milestones, and access to health services.</p>
<p>Deliverable #2: By October 31, 2024, the 40 underserved Coachella Valley youth in foster care who have been matched with a CASA will receive access to any necessary behavioral/mental health services.</p> <p>This project goal coincides with the District and Foundation’s Strategic Plan performance measure “# of individuals who were connected to behavioral/mental health services” under strategy 3.6 “Increase awareness of behavioral/mental health resources for residents in Coachella Valley (Priority: Moderate).”</p>	<p>Evaluation #2: VFC Advocacy Supervisors monitor each child’s behavioral and mental health on a monthly basis as they receive updates from CASAs. Every six months, Advocacy Supervisors and CASAs work together to complete a court report, which includes a comprehensive status update for the judge about a child’s mental health, including information about their access to behavioral and mental health services, therapeutic goals and progress, and prescribed medications.</p>

Project Demographic Information

Target Geographic Area(s) To Be Served:
All areas

Target Population Age Group:

0 to 5, 6 to 17, 18 to 24

Target Population Ethnicity:

Hispanic/Latino (of any race), Not Hispanic or Latino (of any race)

Target Population Race:

American Indian and Alaska Native, Asian, Black or African American, Native Hawaiian and other Pacific Islander, White, Some other race

Additional Target Population Information:

This project will serve Desert Healthcare District & Foundation youth who are living in the foster care system. Approximately 58% of the youth we serve are female and 42% are male. They range in age from birth to 21. Approximately 8% of the youth we serve are infants and toddlers between the ages of 0 and 5, 59% are children between the ages of 6 and 15, and 33% are transitional age youth between the ages of 16 and 21. While the foster care system impacts children and families of every race, ethnicity, and socioeconomic class, children of color and LGBTQ+ youth remain overrepresented. Approximately 52% of the youth we serve are Hispanic/Latino, 25% are white/Caucasian, 15% are Black/African American, 1% are Native American, 1% are Asian/Pacific Islander, 2% are multi-racial, and 4% are of unknown racial or ethnic background.

Capacity, Sustainability, and Partnerships**Organizational Capacity**

The Riverside County CASA program is well prepared to support Coachella Valley children in foster care through the grant-funded project. Our program has a history of responsible year-over-year growth since our inception. We provided 521 children with CASAs in FY 2022-23, and in FY 2023-24, we plan to provide 540 children with CASAs, including at least 85 children in the Coachella Valley.

Over the past few years, we have expanded our program staff and infrastructure to support the continued growth of our program. In March 2023, Jessica Muñoz, the former Executive Director of our Riverside County CASA program, was promoted to President & CEO. In her new position, she will have oversight of Voices for Children's CASA programs in both Riverside and San Diego Counties. With Jessica's transition, Sharon Morris was promoted to Managing Director—Riverside County. Sharon has served as Director of Programs in Riverside County for the past five years. We are proud to continue to work with both of these Riverside County leaders in a new capacity. These promotions reflect the work our Riverside County CASA program team has done to establish a credible and expanding program.

We have made two additional staff changes to support the growth of our program. Kathi Shaner was recently promoted to Recruitment Manager. This transition is in line with the

expanded responsibilities she has undertaken, including managing a team of current and former CASA volunteers who will support our recruitment efforts. Additionally, we now have two Advocacy Supervisors who specifically focus on serving children in the Coachella Valley: Alfred Williams and Paloma Quiroz.

Organizational Sustainability:

VFC's strategic plan is designed to ensure our long-term sustainability. It directly addresses our vision: to provide a CASA to every youth who needs one. The plan includes three core strategic pillars, which address key elements of VFC's ongoing strength and success: valuing and investing in our CASAs and staff; inspiring and mobilizing communities across our region; and aligning our resources to drive impact and sustainability. Our foundational pillar affirms our pledge to live our values of integrity, gratitude, and a commitment to diversity, equity, and inclusion.

Over the past couple of years, we have intentionally made investments to ensure that we can attract and retain program staff. We undertook a compensation review, and we determined that our program staff salaries were significantly under market. We initiated an 18-month process of increasing salaries up to the current market rate. We also implemented a 4013b contribution for our staff. We expect that both of these changes will help us to recruit and retain experienced, talented staff who will enable us to provide high-quality advocacy to children in foster care.

Ensuring our long-term financial sustainability is also critical. The majority of VFC's funding comes from private philanthropy. We solicit support through grant requests, direct mail campaigns, third-party events, and major gift solicitations. We have received significant grants over multiple years from funders including the Annenberg Foundation, Regional Access Project (RAP), Focusing Philanthropy, the In-N-Out Burger Foundation, and S. Mark Taper Foundation. We also receive government funding through the Victims of Crime Act, county and municipal Community Development Block Grant (CDBG) programs, and the Riverside County Transportation Commission. Our 27-member Board of Directors and our Riverside County Community Advisory Council help VFC to set and implement our annual fundraising plan and help us to make connections and spread awareness in the communities we serve. VFC's philanthropy professionals work to increase funding by cultivating new donors and broadening our network. This year, we are focusing on strengthening philanthropic partnerships, especially with individuals, corporations, and foundations, to ensure the sustainability of the CASA program.

Partnerships/Collaborations:

Although VFC will hold sole responsibility for accomplishing the goals of the project, we routinely collaborate with many institutions, organizations, agencies, and government offices to serve children in foster care. We work most closely with the Superior Court of California – Riverside County and the Riverside County Department of Public Social Services (DPSS). We have an MOU with the Superior Court of California – Riverside

County; this MOU is in effect until December 31, 2024, and it is typically renewed in two-year increments. Riverside County judges, attorneys, social workers, and other child welfare professionals refer children to our program. We also collaborate with attorneys and social workers as we work to address the unmet needs of youth. Other partners in service include California CASA, the Riverside County Department of Probation, Riverside County Tribal Alliance, the Department of Public Social Services' System Improvement Core, the Riverside County Office of Education, and local school districts, foster family agencies, and healthcare providers.

Diversity, Equity, Inclusion, and Belonging (DEI)

How does your organization address DEI in your policies, strategic plan, board and staff, etc.?

VFC's commitment to DEI is the foundational principle of our strategic plan. Our commitment to DEI underlies our Board of Directors training and board policies, training for staff and staff policies, and training for CASAs and the way we support our CASAs. We believe that a commitment to racial equity is critical because the population we serve is disproportionately comprised of youth of color and LGBTQ youth. The following are a few of our recent initiatives:

1. **DEI Training for Staff:** Our goal is to increase the cultural competency of VFC staff and help them to gain a deeper awareness of topics related to DEI. To that end, we hold bimonthly DEI training sessions for all staff. Recent topics have included Resilience and Resistance in the Black Community, Uplifting Women's Voices: Stories of Belonging and Family, Advocating for the Spiritual and Religious Needs of Youth.
2. **Recruitment of Diverse CASA Volunteers:** Recruitment Manager Kathi Shaner is building relationships with local groups that represent diverse potential volunteers. Kathi has made connections with the Southern California Black Chamber of Commerce and Latino Business Civic Groups in Riverside County. She has also joined the Riverside NAACP. We plan to deepen our relationships with community partners who will link us with prospective CASA volunteers with diverse backgrounds.
3. **Bilingual Compensation Plan:** Many of the families of the youth we serve are more comfortable communicating in Spanish. This year, VFC explored more equitable approaches to compensation for bilingual staff members. We researched best practices in bilingual compensation and completed a survey of current Spanish-speaking staff. We are now implementing a plan to additionally compensate bilingual staff after they complete a competency exam. This will help us to attract and retain staff members who will help us to serve Spanish-speaking youth and families. We are excited about increasing our capacity to provide high quality advocacy to Spanish-speaking children and families.

What barriers does your organization face when addressing DEI?

VFC is aware that historically, our Board of Directors, staff, and CASA volunteers do not proportionally reflect the race and ethnicities of the youth we serve. We believe that attracting board members, staff, and CASA volunteers who are culturally representative of our youth is critical and will help us to provide the best possible advocacy to children in foster care. This is especially important given current trends in Riverside County foster care. Over the past three years, the number of children in foster care has sharply increased, rising from 4,000 children in 2020 to 5,000 in 2023. Marginalized populations, including children of color, children from low incomes families, and LGBTQ+ youth, have historically been overrepresented in the foster care system. As children enter the foster care system in increasing numbers, we expect that socioeconomic disparities will only increase. As a result, VFC is working harder than ever to increase representation of the diverse youth we serve among our CASAs, staff, and Board of Directors through the development of a written plan that is reviewed by our Board of Directors annually. We look forward to keeping you updated on our progress.

Grant Budget

Project Grant Budget				
Applicant:		Voices For Children Court Appointed Special Advocate (CASA) Program		
OPERATIONAL EXPENSES		Total Project Budget	Funds From Other Sources Detail On Section 3	Amount Requested From DHCD/F
Total Staffing Expenses Detail on Section 2		\$ 1,177,655.40	\$ 1,107,172.90	\$ 70,482.50
Equipment (itemize)				
1			\$ -	
2			\$ -	
3			\$ -	
4			\$ -	
Supplies (itemize)				
1	Office Supplies	\$ 10,685.00	\$ 10,685.00	
2	Dues, Fees, and Subscriptions	\$ 17,600.00	\$ 17,600.00	
3	CASA Volunteer Recruitment/Marketing	\$ 48,000.00	\$ 48,000.00	
4	Children's Assistance Fund	\$ 16,540.00	\$ 16,540.00	
Printing / Duplication		\$ 2,700.00	\$ 2,700.00	
Mailing / Postage		\$ 1,200.00	\$ 1,200.00	
Mileage (use current Federal mileage rate)		\$ 90,000.00	\$ 90,000.00	
Education / Training		\$ 15,600.00	\$ 15,600.00	
Other Direct Project Expenses Not Described Above (itemize)				
1	Employee Overtime	\$ 19,800.00	\$ 19,800.00	
2	Bilingual Stipend	\$ 5,800.00	\$ 5,800.00	
3			\$ -	
4			\$ -	
* Items listed below are included for calculation of the total project budget only. For use of DHCD/F funds, these line items would be included in the allowable 15% indirect cost rate.				
Office / Rent / Mortgage*		\$ 101,388.00	\$ 101,388.00	\$ -
Telephone / Fax / Internet*		\$ 9,600.00	\$ 9,600.00	\$ -
Utilities*			\$ -	\$ -
Insurance*		\$ 12,500.00	\$ 12,500.00	\$ -
Indirect Rate	<input checked="" type="checkbox"/> Check Box To Utilize Indirect Rate Up To 15%	Enter Rate	15.00%	\$ 10,572.38
Total Project Budget (Rounded up to nearest dollar)				
		\$ 1,539,641	\$ 1,458,586	\$ 81,055
Budget Narrative	<p style="color: red; margin: 0;">Office Supplies: Includes general office items that will be used by staff to carry out daily activities of the program, such as pens, paper, pencils, computer cables, etc.</p> <p style="color: red; margin: 0;">Dues, Fees, and Subscriptions: Includes business licenses, software licenses, and credit card fees.</p> <p style="color: red; margin: 0;">CASA Volunteer Recruitment/Marketing: Includes digital and radio advertising, social media marketing, public service announcements, and print collateral.</p> <p style="color: red; margin: 0;">Children's Assistance Fund: Material assistance that is provided to children in foster care to address educational and enrichment needs (i.e., school uniforms, sports equipment, tutoring expenses), emergency and basic needs (temporary shelter and food), and celebratory events (birthdays and holidays).</p> <p style="color: red; margin: 0;">Employee Overtime: Used as needed to address the demands of the Advocacy Supervisor role.</p> <p style="color: red; margin: 0;">Bilingual Stipend: Additional compensation intended to recruit and retain bilingual staff who use Spanish to perform their job responsibilities.</p> <p style="color: red; margin: 0;">Office/Rent/Mortgage: Includes rent and utility expenses for the locations where our employees work and hold meetings and trainings with CASA volunteers. VFC has three Riverside County locations which include our three offices in Palm Desert, Riverside, and Murrieta.</p> <p style="color: red; margin: 0;">Telephone/Fax/Internet: Includes phone and internet services for program staff. VFC also maintains an emergency cell phone 7 days a week/365 days a year to support CASAs and children during case emergencies.</p> <p style="color: red; margin: 0;">Utilities: Utilities are included in our "Rent" line item.</p> <p style="color: red; margin: 0;">Insurance: Corporate insurance.</p>			

Version 07.07.23 Please see instructions tab for additional information

Staff Salary Expenses		Annual Salary	% of Time Allocated to Project	Total Project Salary	Amount Requested from DHCD/F
Employee Position/Title					
1	President & CEO	\$ 250,000.00	3%	7,500.00	\$ 2,500.00
2	Managing Director, Riverside County	\$ 112,200.00	100%	112,200.00	\$ 18,000.00
3	Philanthropy Manager	\$ 86,986.00	100%	86,986.00	
4	Recruitment and Outreach Manager	\$ 66,300.00	100%	66,300.00	
5	Administrative Assistant	\$ 51,003.00	100%	51,003.00	
6	Program Manager	\$ 76,543.00	100%	76,543.00	
7	Program Manager	\$ 76,543.00	100%	76,543.00	
8	Advocacy Supervisor	\$ 61,525.00	100%	61,525.00	
9	Advocacy Supervisor	\$ 61,525.00	100%	61,525.00	
10	Advocacy Supervisor	\$ 58,664.00	100%	58,664.00	\$ 26,000.00
11	Advocacy Supervisor	\$ 58,664.00	100%	58,664.00	\$ 14,000.00
12	Advocacy Supervisor	\$ 58,664.00	100%	58,664.00	
13	Advocacy Supervisor	\$ 58,664.00	100%	58,664.00	
14	Advocacy Supervisor	\$ 58,664.00	100%	58,664.00	
15	Advocacy Supervisor - start Jan '24	\$ 28,757.00	100%	28,757.00	
16	Flat rate for finance, marketing, and grant support from San Diego office	\$ 88,661.00	100%	88,661.00	
Enter Total Employee Benefits / Employer Taxes % (Proportional Fringe Costs and/Or Employer Taxes Based On % Of Time Allocated To Project)			16.50%	166,792.40	9,982.50
Total Will Populate In Total Staffing Expenses Section 1				Total >	\$ 1,177,655.40 \$ 70,482.50
Budget Narrative - Scope of Work	<p>President & CEO: This employee is responsible for implementing VFC's vision, mission, and overall direction. She is a liaison between VFC and our key partners and she provides legal consultation on complex cases.</p> <p>Managing Director of Programs: This employee oversees all program staff, case management, and volunteer recruitment, training, and retention. She also facilitates professional development for program staff.</p> <p>Advocacy Supervisors (2): Each of the Advocacy Supervisors manage caseload of 40-50 CASA volunteers who provide direct services to children in foster care. They provide CASAs with guidance, supervision, and assistance as they advocate on behalf of children.</p>				
Budget Narrative - Employee Benefits	<p>Employee benefits include employee medical and dental benefits (\$49,734), a 403b contribution (\$30,326), payroll taxes (\$77,331) and worker's compensation (\$9,401). Health and dental benefits are approximately 5% of Riverside County staff salaries (not all employees opt into health and dental benefits). VFC's 403b contribution is calculated at 3% of Riverside County staff salaries. Payroll taxes are calculated at a rate of 7.65% (6.2% Social Security + 1.45% Medicare). Worker's compensation is calculated at a rate of .93%.</p>				
Professional Services / Consultant Expenses		Hourly Rate	Hours/Week	Total Project Fee	Amount Requested from DHCD/F
Company and Staff Title					
1					
2					
3					
4					
Total Will Populate in Total Staffing Expenses Section 1				Total >	\$ - \$ -
Budget Narrative - Scope of Work	n/a				

Funds From Other Sources (Actual Or Projected) SPECIFIC To This Project		
"Total Funding In Addition To DHCD/F Request" Below Should Match Or Exceed Value Listed In Section 1 for "Funds from Other Sources".		Amount
Fees		\$ -
Donations		\$ 159,586.00
Grants (List Organizations)		
1	California Office of Emergency Services VOCA Grants (Actual)	\$ 20,000.00
2	Riverside County Transportation Commission (Actual)	\$ 160,000.00
3	Foundation Grants (Projected)	\$ 315,000.00
4	Corporate Grants (Projected)	\$ 52,000.00
5	California CASA Association (Actual)	\$ 550,000.00
6	Community Development Block Grants (Actual)	\$ 192,000.00
7		
8		
Fundraising (Describe Nature Of Fundraiser)		
1	Third Party Events (Rancho Mirage Taste of Summer, Palm Desert Golf Parade, Palm Springs Wine & Dine Around the World, etc.) (Projected)	\$ 10,000.00
2		
3		
8		
Other Income, e.g., Bequests, Membership Dues, In-Kind Services, Investment Income, Fees From Other Agencies, Etc. (Itemize)		
1		
2		
3		
8		
<p>VFC operates on an accrual accounting system. At the start of each fiscal year (beginning on July 1), we begin raising the budget for that year. Any foundation grants, corporate support, or individual giving that we receive on or after July 1, 2023 will go toward the project budget. However, VFC has secured three government grants that will fall within the project period: a Victims of Crime Act (VOCA) grants through Cal OES, a Measure A grant through the Riverside County Transportation Commission, and funding through the California CASA Association.</p>		\$1,458,586.00
Budget Narrative	<p>Foundation Grants: We have received grants of \$20,000 or more over multiple years from the following foundation funders: Annenberg Foundation, Regional Access Project (RAP), Focusing Philanthropy, the In-N-Out Burger Foundation, and S. Mark Taper Foundation.</p> <p>Corporate Grants: We have received Grants of \$5,000 or more from the following corporate funders over multiple years: U.S. Bank, Union Bank, and the San Manuel Band of Mission Indians.</p>	



Full Grant Application Scoring



SCORING PARAMETERS

0 TO 1 POINTS	Does Not Meet Expectations
2 TO 3 POINTS	Needs Improvement
4 TO 5 POINTS	Meets or Exceeds Expectations

Total Points Possible = 50 points

Grant Information			
Grant Number:	Organization:	Project Title:	Funding Request:
1413	Voices For Children	Court Appointed Special Advocate (CASA) Program	\$81,055.00
Programmatic Scoring Review			
Community Need for the Project in Coachella Valley (5 points)	The applicant identifies and describes a specific need(s) for the project within the Coachella Valley by providing relevant, valid data that highlights the full scope of the need. The applicant clearly connects the community need to the project’s targeted population.		
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: Compared to last year, there have been an estimated increase of 200 Coachella Valley children spending time in the foster care system. Additional details highlighting the overburdened system would have been helpful to understand the additional impact our funding can have on bridging the gap.		
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: This project identifies the importance of the role of Court Appointed Special Advocates (CASA) as support to children and youth who are in foster care in Riverside County. These individuals assist youth in navigating the court and foster care system especially if they have undergone adverse childhood experiences (ACES) and can act as a positive adult relationship for these children.		
Reviewer 3 - Score: 5	Reviewer 3 - Score Explanation: Voices for Children through their CASA program has provided foster youth with a trustworthy ally to guide them through the legal and foster care system, along with connecting them to vital		

	health and wellness services. Sadly, the data presented demonstrates the huge need for this program in the Coachella Valley.
<u>Reviewer 4 - Score:</u> 4.5	<u>Reviewer 4 - Score Explanation:</u> The applicant clearly defines the community need for their services and programs
Project Description and Use of Funds (5 points)	The applicant describes the scope of the project and how the organization will utilize the Desert Healthcare District's funding. The applicant clearly states the approach they are going to take to meet the community's need and specifies how the success of this project directly relates to the District's mission and current Strategic Plan.
<u>Reviewer 1 - Score:</u> 4	<u>Reviewer 1 - Score Explanation:</u> Applicant highlighted the impact of our funding on the child; however, additional funding discussing the recruitment and retention of CASA would have been helpful to understand the complete system of care.
<u>Reviewer 2 - Score:</u> 5	<u>Reviewer 2 - Score Explanation:</u> This project will utilize District funds to provide CASA support to 40 underserved children in the Coachella Valley. This support covers a variety of services including advocacy in court proceedings, referrals for physical and mental health/behavioral services that are documented in a comprehensive report submitted to the court every six months.
<u>Reviewer 3 - Score:</u> 4	<u>Reviewer 3 - Score Explanation:</u> The project description and use of grant funds description was very thorough and provided key details on the use of district funds, including the alignment to the District's mission and strategic plan.
<u>Reviewer 4 - Score:</u> 4.5	<u>Reviewer 4 - Score Explanation:</u> The applicant clearly defines the scope of the project and use of District funds. It meets the strategic plan goal and strategy.
Alignment to District Goals, Strategies, and Performance Measures (5 points)	The applicant effectively describes the alignment of the project to the Desert Healthcare District and Foundation 2021-2026 Strategic Plan goals, strategies and performance measures.
<u>Reviewer 1 - Score:</u> 5	<u>Reviewer 1 - Score Explanation:</u> Project aligns with the District's current Strategic Plan goals and strategies.
<u>Reviewer 2 - Score:</u> 5	<u>Reviewer 2 - Score Explanation:</u> This project as described aligns with District Strategic Plan Goals 2 (Proactively expand community access to primary and specialty care services) and 3 (Proactively expand community access to behavioral/mental health services).

<p>Reviewer 3 - Score: 5</p>	<p>Reviewer 3 - Score Explanation: The grant proposal aligns with the DHCD Strategic Plan goals and strategies.</p>
<p>Reviewer 4 - Score: 4</p>	<p>Reviewer 4 - Score Explanation: The project is in direct alignment with the District’s strategic plan goals and strategies.</p>
<p>Project Deliverables and Evaluation (5 points)</p>	<p>The applicant provides project deliverables that are specific, measurable, attainable, and time-bound. Project deliverables must align with at least one of the Desert Healthcare District and Foundation’s 2021-2026 Strategic Plan goals and a related strategy/strategies. Additionally, applicant clearly demonstrates the alignment of their project deliverables to the appropriate performance measures, as outlined in the application instructions.</p> <p>Each evaluation corresponds to a project deliverable. The evaluation accurately measures the project’s effectiveness, impact and includes appropriate qualitative and/or quantitative tracking methods. The evaluation section includes well-defined data reporting mechanisms and/or a clear and transparent narrative.</p> <ul style="list-style-type: none"> • Evaluation measures and methods are clear; the applicant defines how they envision success. • Evaluation is in alignment with the deliverables of the project. • Evaluation is in alignment with identified Desert Healthcare District and Foundation’s 2021-2026 Strategic Plan goal(s), strategies, and performance measure(s). • An explanation is provided on how the data collected from the project will be utilized for future programming, partnerships, and/or funding.
<p>Reviewer 1 - Score: 5</p>	<p>Reviewer 1 - Score Explanation: Evaluation is clear and aligned with the two deliverables.</p>
<p>Reviewer 2 - Score: 5</p>	<p>Reviewer 2 - Score Explanation: Deliverable #1: to deliver CASA services to 40 children residing in the Coachella Valley will be evaluated using the CASA database which identifies children waitlisted to receive a CASA and will track the training (35 hours) of CASA workers. This information will be reviewed by the Managing Director of Programs who evaluates the number of children being matched each month and manages CASA recruitment efforts. Deliverable #2: The 40 children who have been matched with CASA support will be linked to appropriate behavioral health services. Progress in this area is monitored by staff advocacy supervisors who identify the behavioral health needs of the children monthly and contribute to the six month court report process.</p>
<p>Reviewer 3 - Score: 5</p>	<p>Reviewer 3 - Score Explanation: The project deliverables and evaluation of the project were detailed and met the requirements for this section.</p>
<p>Reviewer 4 - Score:</p>	<p>Reviewer 4 - Score Explanation:</p>

4	The deliverables are SMART and the evaluation of the deliverables are in alignment.
Organizational Capacity (5 points)	The applicant details their organization's capacity to meet the demands of this project including allocated staff time, internal expertise, organizational structure, etc. Applicant includes examples that demonstrate that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.). The applicant demonstrates reliability for this kind of work (strength, a history or track record of achievements, related mission, and letters of support).
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: Applicant highlighted the internal changes made to supporting program expansion; however, did not highlight the recruitment and retention of CASAs.
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: This organization has an extensive history of providing CASA services to support the Coachella Valley. This organization continues to experience annual growth and will provide overall 85 children in the Coachella Valley with this valuable service.
Reviewer 3 - Score: 5	Reviewer 3 - Score Explanation: Voices for Children has a proven track record of connecting foster youth with a CASA. In one year they were able to assist at least 85 District foster youth. Each year their capacity has increased to help more foster youth.
Reviewer 4 - Score: 4.5	Reviewer 4 - Score Explanation: The applicant has the capacity to meet the demands of this project.
Organization Sustainability (5 Points)	The application highlights their organization's sustainability strategies around funding, staff recruitment/retention, effective collaboration and partnerships, thoughtful long-term planning, etc.
Reviewer 1 - Score: 5	Reviewer 1 - Score Explanation: Organization has been able to secure large grants from a diverse group of funders and continues to strategically think internally and externally about expanding their organization to reach more children.
Reviewer 2 - Score: 4	Reviewer 2 - Score Explanation: The organizational sustainability of Voices For Children rests with its focus on the development of a healthy culture that values CASA workers and promotes the investment in the training, development and retention of these individuals. The focus on philanthropy that utilizes a braiding of multiple funders to secure the necessary dollars to operate continues to be an area of ongoing development.
Reviewer 3 - Score: 4	Reviewer 3 - Score Explanation: Voices for Children has a strategic plan to ensure the organization is sustainable and receives funding through various funding sources.

Reviewer 4 - Score: 4	Reviewer 4 - Score Explanation: The applicant has a strong sustainability in place.
Partnerships/Collaborations (5 Points)	The application demonstrates a collaborative process that includes multiple community partners involved in planning and implementation. Organizational partners are listed and each of their roles in the project are outlined. Letters of support and/or memorandums of understanding are included, as appropriate.
Reviewer 1 - Score: 4	Reviewer 1 - Score Explanation: Organization demonstrates a collaborative process with local partnerships; however, additional detail on how these community partners are involved in planning and implementation of the care process is needed.
Reviewer 2 - Score: 4	Reviewer 2 - Score Explanation: This project relies heavily on Riverside County partners starting with the Superior Court of Riverside County and extending to include, DPSS, Probation, Tribal Alliance, DPSS System Improvement, Riverside County Office of Education, local school districts and healthcare providers.
Reviewer 3 - Score: 5	Reviewer 3 - Score Explanation: Voices for Children has a long list of partnerships and collaborations to help them achieve their mission and successfully implement this project, along with providing referrals for their foster youth.
Reviewer 4 - Score: 5	Reviewer 4 - Score Explanation: The applicant collaborates with many partners that work together for the welfare of the children being served.
Budget (5 points)	The budget is specific and reasonable, and all items align with the described project. The proposed budget is accurate, cost-effective, and linked to activities and deliverables. <ul style="list-style-type: none"> • There are no unexplained amounts. • The overall significance of the project, including the relationship between benefits and/or participants to the programmatic costs are reasonable. • All line items are identified clearly in the budget narrative. • The budget shows committed, in-kind, or other funds that have been identified, secured, and in place to support the project.
Reviewer 1 - Score: 5	Reviewer 1 - Score Explanation: Budget line items are clearly described in the budget narrative.
Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation:

	The budget as presented clearly identifies the cost of the total project, the portion being requested of the District, the allocation of District funds and the other funding sources related to this project.
<u>Reviewer 3 - Score:</u> 5	<u>Reviewer 3 - Score Explanation:</u> The grant proposal budget is adequate and in line with the proposed deliverables, along with identifying and securing additional funding. The DHCD grant funds are only 5% of the total project budget.
<u>Reviewer 4 - Score:</u> 5	<u>Reviewer 4 - Score Explanation:</u> The budget is reasonable and the request is 5% of the entire project budget.
Fiscal Scoring Review	
Fiduciary Compliance (5 Points)	The applicant demonstrates a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financial statements produced in a timely fashion, positive cash flow at the end of each fiscal year, asset ratio meets required debt load, and the Board reviews financial statements regularly.
<u>Reviewer 1 - Score:</u> 4.5	<u>Reviewer 1 - Score Explanation:</u> The FY 06/30/22 audit report is unmodified. The Board of Directors accepted the audit report. Audit report Current Ratio is strong (15:1), which represents the grantee's ability to pay its short-term liabilities. The Net Assets increased by \$5M as of 6/30/22, with Total Net Assets of \$11M. Internal financial statements, as of 6/30/23, shows an increase of \$238k. The Balance Sheet is in good order.
<u>Reviewer 2 - Score:</u> 5	<u>Reviewer 2 - Score Explanation:</u> Unmodified financial statements presented to and reviewed by the Board in a timely fashion. Positive cash flow documented for the last two fiscal years, with ample assets to address liabilities.
Financial Stability (5 Points)	Funding sources for operations and programs are from multiple sources and are driven by a strategic plan for stability for both short- and long-term growth. If a strategic plan does not exist, other documentation is presented to identify future sources of funding. The requested grant amount is reasonable in comparison to the overall organizational budget.
<u>Reviewer 1 - Score:</u> 4.5	<u>Reviewer 1 - Score Explanation:</u> Grantee demonstrates a sound financial position. Grantee presents a comprehensive strategic plan. Grantee has diversified resources for this project of \$1.5M. The District's grant of \$81k is well supported by other resources.

Reviewer 2 - Score: 5	Reviewer 2 - Score Explanation: Multiple funding sources documented in grant budget, organizational budget, and referenced in submitted Board minutes. The strategic plan does not provide specific steps to obtain goals, but the submitted Board minutes provide support and includes updates on several elements of short and long-term funding. The requested grant amount is reasonable compared to the overall organizational budget.
---------------------------------	---

TOTAL SCORES - PROGRAMMATIC		TOTAL SCORES - FISCAL	
REVIEWER 1	36/40 POINTS = 90%	REVIEWER 1	9/10 POINTS = 90%
REVIEWER 2	38/40 POINTS = 95%	REVIEWER 2	10/10 POINTS = 100%
REVIEWER 3	38/40 POINTS = 95%	AVERAGE	9.5 POINTS = 95%
REVIEWER 4	35.5/40 POINTS = 88.75%		
AVERAGE	37 POINTS = 92%		

Average Total Score: 47 / 50 = 94%

EXHIBIT B

PAYMENT SCHEDULES, REQUIREMENTS & DELIVERABLES

<u>Project Title</u>	<u>Start/End</u>
Court Appointed Special Advocate (CASA) Program	11/01/2023 10/31/2024

PAYMENTS:

(2) Payments: \$36,474
10% Retention: \$8,107

Total request amount: \$ 81,055.

GRANT AND PAYMENT SCHEDULE REQUIREMENTS:

Scheduled Date	Grant Requirements for Payment	Payment
11/01/2023	Signed Agreement submitted & accepted.	Advance of \$36,474 for time period 11/01/2023 - 4/30/2024
6/01/2024	1st six-month (11/01/2023 - 4/30/2024) progress report, budget reports and receipts submitted & accepted	Advance of \$36,474 for time period 5/01/2024 - 10/31/2024
12/01/2024	2nd six-month (5/01/2024 - 10/31/2024) progress report, budget reports and receipts submitted & accepted	\$0
12/15/2024	Final report (11/01/2023 - 10/31/2024) and final budget report submitted & accepted	\$8,107 (10% retention)

TOTAL GRANT AMOUNT: \$ 81,055.

DELIVERABLES:

Project Deliverables and Evaluation

<p>Deliverable #1: By October 31, 2024, 40 underserved Coachella Valley youth in foster care will be matched with a CASA who will ensure that they receive primary and/or specialty healthcare services. This project goal coincides with the District and Foundation’s Strategic Plan performance measure: “# of individuals who were connected to primary and specialty healthcare services in underserved communities” under strategy 2.7: “Utilize an equity lens to expand services and resources to underserved communities.”</p>	<p>Evaluation #1: CASA Matching: We use CASA Manager, a database developed for CASA programs, to maintain a waitlist of children referred for CASA services by judges, attorneys, and social workers, and to track the progress of CASA trainees as they complete 35 hours of training. Our Managing Director of Programs monitors the number of children matched with CASAs each month and adjusts our CASA volunteer recruitment strategies to ensure that we achieve our goals.</p> <p>Access to primary and specialty healthcare services: VFC Advocacy Supervisors monitor each child’s access to health services on a monthly basis as they receive updates from CASAs. Every six months, Advocacy Supervisors and CASAs work together to complete a court report, which includes a comprehensive status update for the judge about a child’s health, including information about their medical and dental exams, immunizations, prescribed medications, developmental milestones, and access to health services.</p>
<p>Deliverable #2: By October 31, 2024, the 40 underserved Coachella Valley youth in foster care who have been matched with a CASA will receive access to any necessary behavioral/mental health services.</p> <p>This project goal coincides with the District and Foundation’s Strategic Plan performance measure “# of individuals who were connected to behavioral/mental health services” under strategy 3.6 “Increase awareness of behavioral/mental health resources for residents in Coachella Valley (Priority: Moderate).”</p>	<p>Evaluation #2: VFC Advocacy Supervisors monitor each child’s behavioral and mental health on a monthly basis as they receive updates from CASAs. Every six months, Advocacy Supervisors and CASAs work together to complete a court report, which includes a comprehensive status update for the judge about a child’s mental health, including information about their access to behavioral and mental health services, therapeutic goals and progress, and prescribed medications.</p>

The Desert Healthcare District has implemented Results-Based Accountability (RBA) into their grantmaking process to streamline reporting and offer a straightforward approach to effectively measuring program-level performance.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Goal 3: Proactively expand community access to behavioral/mental health services

Strategy 2.7: Increase equitable access to primary and specialty care services and resources in underserved communities in Coachella Valley (Priority: High)

Strategy 3.6: Increase awareness of behavioral/mental health resources for residents in Coachella Valley (Priority: Moderate)

You have selected Strategy 2.7

Your project deliverables need to capture at least one of the following performance measures.

- # of Community Health Workers/Promotores trained
- # of Community Health Workers/Promotores hired
- # of clients/potential clients who increased their knowledge of primary and specialty care resources
- # of clients who were directly connected to a primary and specialty care service provider
- # of clients who were connected to primary and specialty care via supportive healthcare services such as transportation assistance, insurance enrollment, etc.

You have selected Strategy 3.6

Your project deliverables need to capture the following performance measures.

- # of Community Health Workers/Promotores trained
- # of Community Health Workers/Promotores hired
- # of community engagement/awareness activities
- # of clients/potential clients reached through awareness efforts
- # of clients who were directly connected to behavioral/mental health services
- # of clients/potential clients who increased their knowledge of behavioral/mental health resources
- % of clients/potential clients who increased their knowledge of behavioral/mental health resources

Date: October 24, 2023
To: Desert Healthcare District and Foundation Board
From: Michele Finney, CEO
Re: **DRMC CEO - District Board Meeting Report October 2023**

I'm pleased to provide this monthly report to the District Board to share highlights about Desert Regional Medical Center for the month of October.

Capital & Construction Projects Underway:

- Operating room lights and video integration
- East campus roof and air handler replacement – completion estimated in November
- Cath Lab 1 replacement project – completion estimated by year end
- El Mirador Cooling Tower replacement – completion estimated in November
- Mother Baby Units Refresh
- ICU Isolation Rooms – project is over 50% complete
- Elevator Replacement – All to be replaced with work starting mid-2024
- JFK – MRI construction still underway

People:

- We continue to recruit and retain our nurses and other direct care provider staff. Overall hires are well above prior year and with our retention efforts, our overall employee turnover rate is well below current industry norms.
- Year to date, we have a net gain of nearly 200 new RNs at DRMC.
- Good faith bargaining continues with SEIU-UHW to reach an agreement. Fortunately, the union withdrew their strike notice that was scheduled for this week.

Events/Services:

- DRMC and DCN participated in a number of community events to foster education and wellness. These events have been focused in areas such as blood donation at all three hospitals, Medi-Cal redetermination, Chamber State of the City's, non-profit events, and clinical services outreach to the unhoused and those most vulnerable throughout our community. DRMC participated in the Great American Shake Out Earthquake Drill on 10/19/23 for training for our staff.
- JFK participated in the Coachella Youth Soccer Association season kick off, and will be celebrating Dia De Los Muertos at the Coachella Valley History Museum in early November. JFK will also assist FIND Food Bank with a mammography / breast cancer awareness campaign at food distribution sites in the East Valley.
- DRMC initiated Shockwave Intravascular Lithotripsy (IVL) technology.
- JFK launched VizAI, a technology platform focused on care coordination.

Legislation:

- A number of bills related to the healthcare sector were either passed or vetoed by the Governor. Those vetoed included topics such as CDPH mandated review of nurse-to-patient ratio enforcement, unemployment insurance for striking employees, and layoff notification. Those passed include SB525 - \$25/hour minimum wage; AB40 - a minimum statewide APOT standard; SB616 – increased sick pay; SB770 – single payor next steps workgroup.

Thank you.



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: October 24, 2023
To: Board of Directors
Subject: Lift to Rise Community Investment Awards – Community Anchor Award

Background:

Information only.

- The Desert Healthcare District and Foundation were the recipients of the Community Anchor Award at the inaugural Lift to Rise Community Investment Awards ceremony October 14, 2023.
- The Community Anchor Award, one of seven awards, pays tribute to organizations and leaders that nurture community connection and stability while also catalyzing growth.
- Since the beginning of the COVID-19 pandemic, the District and Foundation have been essential in sustaining local organizations and supporting and leading emergency response efforts to keep residents healthy and housed, understanding that stable housing has a direct impact on a community's overall physical and mental well-being.
- District Board members, Vice President Zavala, Director Rogers, Director Barraza, and members of staff were present for the award.
- Certificates from 6 dignitaries are included in the packet.

Fiscal Impact:

None

County of



Riverside

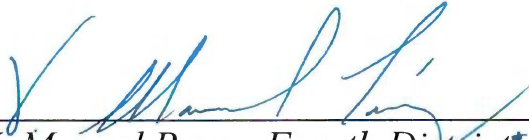
Desert Healthcare District and Foundation

*It is my honor to present Lift to Rises' First Inaugural Community Investment
"Community Anchor Award".*

*This award acknowledges your role in nurturing community connection and
stability while also catalyzing growth throughout the Coachella Valley.*

*Please accept my sincerest congratulations and gratitude for your contribution and dedication in
advocating for the Coachella Valley community.*

October 18, 2023



*V. Manuel Perez, Fourth District**

Board of Supervisors

Page 287 of 373



*Certificate of Special
Congressional Recognition*

Presented to

The Desert Healthcare District and Foundation

*in recognition of outstanding and invaluable
service to the community.*

*"The Inaugural "Lift to Rise" Community Investment Awards Honoree"
The Living Desert Zoo and Gardens*

October 14, 2023

DATE

A handwritten signature in blue ink, appearing to read "K. C. Castro", written over a horizontal line.

MEMBER OF CONGRESS



Certificate of Congressional Recognition

is presented to

THE DESERT HEALTHCARE DISTRICT & FOUNDATION

in celebration of

The Inaugural Community Investments Awards

On Behalf of California's 25th Congressional District, congratulations for being awarded The Community Anchor Award! Organizations like yours uphold meaningful values that work to increase housing stability and economic mobility in the Coachella Valley. Thank you for investing your time and effort for the betterment of our community.

Presented this 14th day of October, 2023 in Palm Desert, California

A handwritten signature in blue ink that reads "Raul Ruiz".

RAUL RUIZ, M.D.

Member of the U.S. House of Representatives
California's 25th Congressional District
118th Congress

Assembly

CERTIFICATE OF RECOGNITION

Presented to

Desert Healthcare District

In Recognition of your

Community Anchor Award

On behalf of the California State Assembly and the constituents of the 47th Assembly District, it is my pleasure to recognize Desert Healthcare and Foundation for receiving the Lift to Rise Community Investment Award. Your tireless efforts and dedication to addressing community priorities and promoting equitable investment in the Coachella Valley and beyond have left an indelible mark.

Congratulations!

*October 14, 2023
Palm Desert, CA*



A blue ink signature of Greg Wallis.

GREG WALLIS
47TH ASSEMBLY DISTRICT
CALIFORNIA STATE LEGISLATURE

Senate

CERTIFICATE OF RECOGNITION



***Desert Healthcare District and RAP
Foundation
Lift to Rise
The Community Anchor Awards***

This certificate of recognition is presented to recognize the leaders working at every level to the residents of the Coachella Valley. On behalf of the California State Senate, I, Senator Steve Padilla, honor Desert Healthcare District and RAP foundation for the hard work and dedication to creating the partnerships necessary to provide our residents with the resources in improving the community. Thank you for your persistent leadership and congratulations!

October 14, 2023

Steve Padilla

Senator Steve Padilla

Assembly

CERTIFICATE OF RECOGNITION

Desert Healthcare District & Foundation

On behalf of the California State Assembly, I commend the Desert Healthcare District & Foundation's mission to achieve optimal health at all stages of life for their residents and for their ongoing support to community-based organizations, which has significantly benefited the Coachella Valley. Congratulations on being recognized as a Community Anchor; I wish the organization continued success!

October 14, 2023
Palm Desert, CA



Eduardo Garcia

Assemblymember, District 36





DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: October 24, 2023

To: Board of Directors

Subject: Run With Los Muertos Sponsorship

Staff Recommendation: Informational item only

Background: Run with Los Muertos continues a centuries-old tradition by uniting dozens of community groups, teams, artists, musicians, runners, and thousands of attendees throughout the US, Mexico, and Canada for an event celebrating health, wellness, art, music, and culture. Public education programming of workshops and workouts leads up to a block party in Old Town Coachella that includes a procession, art walk, car show, 5k run, vendor village, and 3 stages of live entertainment.

This free multi-generational celebration provides a platform for local talent, brings new visitors to the Eastern Coachella Valley, and has initiated cultural exchanges with artisans, musicians, and chefs from Oaxaca, Michoacan, and Mexicali.

The Desert Healthcare District and Foundation has been a proud sponsor of this event for the last 5 years. As part of the sponsorship this year, the DHCD will have an informational booth at the event and have 5 race entries for the 5K. The event will take place in Old Town Coachella on Saturday, November 4th from 4pm to midnight.

Fiscal Impact:

\$1,000 Health Level sponsorship as part of the marketing budget



DESERT HEALTHCARE
DISTRICT & FOUNDATION



October 16, 2023

David J. Brinkman
Chief Executive Officer
Desert AIDS Project, dba DAP Health
1695 N. Sunrise Way
Palm Springs, CA 92262

Dear Mr. Brinkman:

Desert Healthcare District & Foundation supports your intention to submit an application as a Federally Qualified Health Center (FQHC) under the Competing Continuation funding opportunity (HRSA-24-071) from the Health Resources and Services Administration. We applaud DAP Health (DAP) on its continued success in expanding its capacity to improve the overall health of our community regardless of ability to pay for healthcare.

We are proud to consider ourselves collaborative partners in the region. We believe DAP exercises diligent stewardship of grant funds and has a positive impact on the health of the most vulnerable populations in our community. Although predominantly and historically recognized for their longstanding specialization in the treatment and care of persons affected by HIV/AIDS, as a full FQHC health clinic, DAP has earned our full support as it expands care, through its recent acquisition of Borrego Health, to enhance and promote the health and well-being of our community.

Aware of the continuing need for high-quality, culturally competent health care for underserved populations in their service area, I encourage favorable consideration of DAP's application.

Sincerely,

Chris Christensen
Interim CEO/Chief Administration Officer



DESERT HEALTHCARE
DISTRICT & FOUNDATION

The Honorable Gavin Newsom
Governor
State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: Letter of Support to Expand the State's Storm Assistance for Immigrants Program

Dear Governor Newsom,

The Desert Healthcare District and Foundation offers this letter of support to TODEC – an agency ensuring equitable access to information, immigration legal services, community education, advocacy, and civic engagement for limited and non-English speaking people including immigrants and migrant workers throughout Riverside, San Bernardino, Inyo, and Imperial counties.

As you are aware, immigrant agricultural workers in the Coachella Valley, Inland Empire, and throughout the southern California region are one of the most marginalized populations within farm working communities. The Desert Healthcare District and Foundation celebrates your administration's recent efforts to expand aid to undocumented individuals impacted by natural disasters by establishing the state's new Storm Assistance for Immigrants program. However, Tropical Storm Hilary produced a dire economic impact on undocumented individuals residing in those agricultural communities of southern California, and eligibility under the program does not extend to those impacted by tropical storms. Given the acute impact of Hilary on undocumented individuals in our southern California farming communities, we strongly urge you to immediately expand eligibility under the Storm Assistance for Immigrants program to include those impacted by Tropical Storm Hilary.

Tropical Storm Hilary was the first storm of its kind to hit southern California in 84 years. In addition to harsh winds of up to 80 mph, the region faced unprecedented levels of rainfall – with some areas meeting their average annual rainfall in just a matter of days (O'Kane, 2023). Among the hardest hit communities were in rural Coachella Valley, where much of the local economy is centered on agriculture. Throughout the valley, reports have surfaced of severe damage to certain unharvested crops (Hampton, 2023). For instance, the California Table Grape Commission estimates that the storm damaged 35 percent of the grapes that remained on vines, amounting to approximately 25 million boxes (Hilary ruins 20% of remaining Cal grape crop, 2023).

The economic impact of such catastrophic crop damage in the middle of harvest season is not only felt by the growers, but also by the farm workers they employ. Because a significant number of farmworkers are undocumented, they are ineligible for disaster aid and unemployment benefits. As growers in Coachella Valley are forced to revise their harvesting

plans, the undocumented farmworkers that they typically employ are left without work, pay, or access to the critical social safety net programs intended to support our communities in times of crisis. The Coachella Valley’s undocumented populations are inherently vulnerable, and the financial uncertainty caused by Hilary is leaving many of these families to wonder how they will buy groceries or pay rent in the coming months.

Tropical Storm Hilary has had an acute and devastating economic impact on Coachella Valley’s undocumented farmworkers and their families. This matter is urgent, ongoing, and requires swift action by our state leadership. To that end, we respectfully request that your administration take immediate action to expand eligibility under the Storm Assistance for Immigrants program to include those impacted by Hilary. Without access to emergency financial assistance, these farmworkers and their families will face continued – and potentially catastrophic – economic uncertainty.

The Desert Healthcare District was created in 1948 to serve residents within a 457-square-mile area of the Coachella Valley. The District includes communities in Palm Springs, Desert Hot Springs, Cathedral City, Thousand Palms, Rancho Mirage, Mountain Center, San Geronio, Palm Desert, Indian Wells, La Quinta, Indio, Coachella and other unincorporated communities. AB 2414, Authored by Assemblymember Eduardo Garcia and with voter support, it allowed the District to expand its boundaries into the Eastern portions of the Coachella Valley. In doing so, between 2020 – 2023, the District has awarded over \$800k in grant funding to TODEC to support our Coachella Valley Equity Collaborative – a collaborative of Coachella Valley agencies working collective to offer education, COVID-19 testing and education to vulnerable and unserved populations, which includes agricultural communities.

Once more, we respectfully urge you to immediately expand eligibility under the Storm Assistance for Immigrants program to include those impacted by Tropical Storm Hilary.

Sincerely,

DocuSigned by:

39F0A9FE3AB9410...

Chris Christensen
Interim CEO
Desert Healthcare District and Foundation

References

(2023, August 28). Hilary ruins 20% of remaining Cal grape crop. *FreshFruitPortal.com*.
<https://www.freshfruitportal.com/news/2023/08/28/hilary-ruins-20-of-remaining-cal-grape-crop/>

Hampton, C. (2023, September 17). California Farm Bureau Reports Tropical Storm Hilary Devastates Table Grape Crops at Peak of Harvest. *Sierra Sun Times*. <https://goldrushcam.com/sierrasuntimes/index.php/news/local-news/49702-california-farm-bureau-reports-tropical-storm-hilary-devastates-table-grape-crops-at-peak-of-harvest>

O’Kane, C. (2023, August 21). Rainfall from Hilary almost met the yearly average for some areas of California. *CBS News*.
<https://www.cbsnews.com/news/hilary-rainfall-totals-california-areas-almost-met-the-yearly-average-for-rain-inches/>



Date: October 24, 2023

To: Board of Directors

Subject: Interim CEO Community Engagements and District Visibility

Background:

- The Board of Directors at the September 26, 2023 meeting voted to designate CAO, Chris Christensen, as the Interim CEO of the Desert Healthcare District and Foundation.
- As the District proceeds to hire a permanent CEO, the Interim CEO intends to maintain and continue developing the organization’s mission and vision.
- The following is brief information regarding the CEO’s current meetings and/or community engagements.
- The report includes District media visibility and CEO Discretionary Fund expenditures.

Meetings and Engagements:

Name	Title	Organization	Date	Topic
Jim Mangia Tomi Clinton	CEO CEO	St. John’s Community Health Transgender Wellness Center	09/25/23	Meet and Greet Mobile Unit Purchase for migrant workers in partnership with the United Farmworkers
Mark Dubow	Director	Veralon	09/27/23	Updates in preparation for the Strategic Planning Retreat
		Coachella Valley Non-Profit Leaders	09/28/23	2024 Community Symposium Planning Committee
Sindri Anderson Tres Jimenez	Member Manager Member Manager	Activate Inclusion	09/29/23	Status and Board recommendation of future DEI trainings
Carmela Meyer Christine Redovan	GME Consultants	Partners in Medical Education	10/02/23	GME Education Residency Program Feasibility Study
		Coachella Valley Behavioral Health Collective (CVBHC)	10/02/23	Year-In-Review presented by the Foundation in collaboration with RUHS and non-profit leaders
Jennifer Escobar	Senior Associate	Strategies 360	10/04/23	Seismic legislative updates
		HARC	10/04/23	Webinar highlighting environmental health disparities between the western and eastern

				Coachella Valley
Tara Mulally	Vice President	CV Strategies	10/06/23	Communications and community outreach efforts
Larry Walker	Principal	Walker Associates	10/10/23	Governance and Strategic Planning Retreat
		Inland Empire Funders Alliances (IEFA)	10/11/23	“Funders Pitch” traditional fast pitch model for fostering collaborative grantmaking
Yvonne Franco	District Manager	Coachella Valley Resource Conservation District (CVRCD)	10/11/23	Meet and Greet Update on the mobile medical trailer
		South Coast Air Quality Management District	10/12/23	Annual Progress Report for Assembly Bill 617
		Lift to Rise	10/14/23	Community Investment Awards

Community Award

- The District received the Community Anchor Award at Lift to Rise’s Community Investment Awards. Award recipients were Vice-President Zavala, Director Rogers, Director Barraza, and the Interim CEO. Other staff members attended the ceremony.

District Media Visibility

“Valley leaders host ‘Healthcare Workforce Crisis Tour’ to bring awareness to ongoing healthcare shortage” (Oct. 12, KESQ) <https://kesq.com/news/2023/10/12/valley-leaders-host-a-healthcare-workforce-crisis-tour-to-bring-awareness-to-ongoing-healthcare-shortage/>

“Access vaccines easily, readily by going to the mall” (Oct. 6, The Uken Report) <https://ukenreport.com/access-vaccines-easily-readily-by-going-to-mall/>

“OneFuture Coachella Valley hopes to grow new generation of health care providers” (Oct. 3, The Desert Sun) <https://www.desertsun.com/story/news/health/2023/10/03/onefuture-coachella-valley-encourages-local-youth-to-pursue-health-care/70795615007/>

CEO Discretionary Fund

Date	Name	Memo	Amount
6325 - CEO Discretionary Fund			
07/01/2023	California Forward	Knowledge level sponsorship for 2023 Economic Summit	5,000
08/04/2023	U.S. Bank	Planned Parenthood contribution to 60th Anniversary Cocktail Reception - September 23, 2023	5,000
08/11/2023	Blood Bank of San Bernardino	2023 Thanks4Giving Gala Table Sponsorship - Saturday November 11, 2023	3,500
08/15/2023	Coachella Valley Volunteers in Medicine	2023 VIMY Awards - Bronze Sponsorship	5,000
08/17/2023	UC Riverside Foundation	UCR SOM 2023 Gala and Education Building II Grand Opening - Silver Sponsorship	10,000
08/30/2023	Regional Access Project Foundation	Desert Fast Pitch 2023 Sponsorship	5,000
09/06/2023	Cathedral City Senior Center	Table Sponsor at November 13, 2023 Gala	5,000
TOTAL			38,500



**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
October 10, 2023**

Directors Present via Video Conference	District Staff Present via Video Conference	Absent
President Evett PerezGil Vice-President Carmina Zavala, PsyD Director Leticia De Lara, MPA	Chris Christensen, Interim CEO Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Jana Trew, SPO, Senior Program Officer, Behavioral Health Meghan Kane, MPH, Senior Program Officer, Public Health Erica Huskey, Grants Manager Andrea S. Hayles, Board Relations Officer	

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	The meeting was called to order at 5:03 p.m. by Chair PerezGil.	
II. Approval of Agenda	Chair PerezGil asked for a motion to approve the agenda.	Moved and seconded by Director De Lara and Vice-President PerezGil to approve the agenda. Motion passed unanimously.
III. Meeting Minutes 1. September 12, 2023	Chair PerezGil asked for a motion to approve the September 12, 2023, meeting minutes.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the September 12, 2023, meeting minutes. Motion passed unanimously.
IV. Public Comment	There were no public comments.	
V. Old Business 1. Results-Based Accountability Webpage, Stephanie Minor, Executive Consultant, NPO Centric	Stephanie Minor, Executive Consultant, NPO Centric, provided a presentation on the background of Results-Based Accountability, the live webpage specifics that include the grant categories for the 6-month scorecards until the data for the remainder of the year is available, scorecard key terms and definitions, the framework, highlights of funding and impact,	

**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
October 10, 2023**

	<p>and the staff’s work with the upcoming Data Walk on Social Isolation and Loneliness, while responding to questions from the committee.</p>	
<p>VI. Program Updates</p> <ol style="list-style-type: none"> 1. Progress and Final Reports Update 2. Grant Applications and RFP Proposals Submitted and Under Review 3. Grant Payment Schedule 	<p>Chair PerezGil inquired with the committee concerning any questions about the progress and final reports, grant applications and RFP proposals submitted and under review, and the grant payment schedule.</p> <p>Chris Christensen, Interim CEO, described the unallocated grant funding in the pipeline related to the \$3.3M balance available for the grants and programs.</p>	
<p>VII. Grant Funding</p> <ol style="list-style-type: none"> 1. Grant #1412 DPMG Health – \$1,057,396 for two years CONTIGENT on receiving clean audited financial statements. 	<p>Chair PerezGil inquired with the committee concerning any questions about DPMG Health’s two-year grant request for \$1,057,396.</p> <p>Drs. Tae and Gemma Kim, DPMG Health, described full sustainability in 2 years due to the brick-and-mortar component of the clinic and contracting with the Inland Empire Health Plan (IEHP) for the current mobile unit and the trailer for registering the patients in coordination with the faculty and FTEs for billing, including the insured patients to affirm feasibility. Dr. Kim further described collaborations with the mobile unit for the full FTEs</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve Grant #1412 DPMG Health – \$1,057,396 for two years CONTIGENT on receiving clean audited financial statements and forward to the Board for approval.</p> <p>Motion passed unanimously.</p>

**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
October 10, 2023**

<p>2. Grant #1408 Coachella Valley Volunteers in Medicine – \$478,400</p>	<p>and acquiring an additional staff person to pull the trailer.</p> <p>Chris Christensen, Interim CEO, noted that the lease agreement for the clinic is ajenized for the October 11 F&A Committee meeting.</p> <p>Chair PerezGil inquired with the committee concerning any questions about Coachella Valley Volunteers in Medicine \$478,400 grant request.</p> <p>Donna Craig, Chief Program Officer, provided an overview of Coachella Valley Volunteers in Medicine’s one-year grant request.</p> <p>Doug Morin, Executive Director of Volunteers in Medicine, described the opening of the Palm Springs office and the increase of insured patients with referrals from Desert Regional Medical Center, the 50% capacity rate, the graduate medical resident’s role from Eisenhower Medical Center and Desert Regional Medical Center’s Residency Programs, with the grant also assisting with outreach services. Mr. Morin responded to additional questions from the committee and staff.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve Grant #1408 Coachella Valley Volunteers in Medicine – \$478,400 and forward to the Board for approval. Motion passed unanimously.</p>
--	---	---

DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
October 10, 2023

<p>3. Grant #1410 Alianza Nacional de Campesinas – \$57,499</p>	<p>Chair PerezGil inquired with the committee concerning any questions about Alianza Nacional de Campesinas \$57,499 grant request.</p> <p>There were no questions or comments from the committee.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve Grant #1410 Alianza Nacional de Campesinas – \$57,499 and forward to the Board for approval. Motion passed unanimously.</p>
<p>4. Grant #1413 Voices for Children – \$81,055</p>	<p>Chair PerezGil inquired with the staff concerning any highlights for Voices for Children \$81,055 grant request.</p> <p>Donna Craig, Chief Program Officer, described the committee’s familiarity with the organization and the growing need for foster children assistance and court appointed advocacy in the Coachella Valley.</p> <p>Jessica Munoz, President & CEO of Voices for Children, described the challenges with volunteer recruitment pre-and post-COVID, with summer and fall the declining season, further highlighting the current retainment of volunteers and relationship building. The grant will assist in servicing forty children, with new referrals daily and weekly and currently twenty children on the waiting list.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala to approve Grant #1413 Voices for Children – \$81,055 and forward to the Board for approval. Motion passed unanimously.</p>
<p>VIII. Committee Members Comments</p>	<p>There were no committee member comments.</p>	
<p>IX. Adjournment</p>	<p>Chair PerezGil adjourned the meeting at 5:57 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>



**DESERT HEALTHCARE DISTRICT
PROGRAM COMMITTEE MEETING
MEETING MINUTES
October 10, 2023**

ATTEST: _____
Evet PerezGil, Chair/ President, Board of Directors
Program Committee

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer

DRAFT



Date: October 10, 2023

To: Program Committee – District

Subject: Progress and Final Grant Reports 9/1/2023 – 9/30/2023

The following progress and final grant reports are included in this staff report:

Voices For Children # 1314

Grant term: 7/1/2022 – 6/30/2023

Original Approved Amount: \$60,000.

Final Report covering the time period from: 7/1/2022 – 6/30/2023

Galilee Center # 1324

Grant term: 8/1/2022 – 7/31/2024

Original Approved Amount: \$100,000.

Progress Report covering the time period from: 2/1/2023 – 7/31/2023

Organizacion en California de Lideres Campesinas, Inc. # 1333

Grant term: 2/1/2023 – 1/31/2025

Original Approved Amount: \$150,000

Progress Report covering the time period from: 2/1/2023 – 8/31/2023

DPMG Health # 1329

Grant term: 10/1/2022 – 9/30/2025

Original Approved Amount: up to \$500,000

Monthly Progress Report covering the time period from: 8/1/2023 – 8/31/2023

Organization Name: Voices for Children

Grant #: 1314

Project Title: Court Appointed Special Advocate (CASA) Program

Desert Healthcare District Strategic Plan Alignment

Goal: Goals 2 and 3

Strategy: Strategies 2.7 and 3.7

Grant Information

Total Grant Amount Awarded: \$60,000

Grant Term (example 7/1/22 – 6/30/23): 7/1/22 – 6/30/23

Reporting Period (example 7/1/22 – 10/31/22): 7/1/22 – 6/30/23

Contact Information:

Contact Name: Jessie Stein

Phone: (858) 598-2283

Email: jessies@speakupnow.org

Final Progress:

Final Outcomes on Goals and Evaluation

Project's final accomplishment(s) in comparison to the proposed goal(s) and evaluation plan.

Goal 1:

By June 30, 2023, 30 underserved Coachella Valley youth in foster care will be matched with a CASA who will ensure that they receive primary and/or specialty healthcare services.

Final Progress of Goal #1:

During the grant period, 30 Coachella Valley youth in foster care were matched with a VFC CASA. CASAs ensured that each child received primary and/or specialty healthcare services. Each child was referred for CASA services by judges, attorneys, and social workers. Each CASA completed 35 hours of initial training through Advocate University, VFC's internal CASA training program.

Final Evaluation of Goal #1: VFC achieved goal #1.

Throughout the grant term, VFC Advocacy Supervisors monitored each grant-funded child's access to health services through monthly updates from CASAs. Advocacy Supervisors maintained detailed case notes about a child's overall health, emerging health issues, and medical care. At each court hearing, Advocacy Supervisors and CASAs submitted a comprehensive court report detailing information about a child's health, including information about their medical and dental exams, immunizations, prescribed medications, developmental milestones, and access to health services.

The following are a few examples of how CASAs helped children to access primary and specialty healthcare services:

- Making sure there is no lapse in health and allied health services when a child changes homes or schools.
- Alerting a child's social worker, attorney, and/or judge when a child has an unmet health need.
- Linking children with community programs that fund health services for underprivileged youth including glasses, braces, and dental care.

Goal #2:

By June 30, 2023, the 30 underserved Coachella Valley youth in foster care who have been matched with a CASA will receive access to any necessary behavioral/mental health services.

Final Progress of Goal #2:

The 30 Coachella Valley youth in foster care who have been matched with a CASA have received access to any necessary behavioral/mental health services. VFC Advocacy Supervisors monitored each child's behavioral and mental health on a monthly basis as they received updates from CASAs. The comprehensive court report that Advocacy Supervisors and CASAs submitted on behalf of each child included information about the child's mental health, access to behavioral and mental health services, therapeutic goals and progress, and prescribed medications.

Final Evaluation of Goal #2: VFC achieved goal #2.

CASAs supported children to access behavioral and mental health services in the following ways:

- When children were waitlisted for mental health services, CASAs followed up repeatedly until the child was linked with a provider.
- Working with a child's support team to ensure that access barriers are addressed such as transportation, language, and other special circumstances that are unique to each child.
- Alerting a child's social worker, attorney, or judge when a child exhibited a new

behavior or had an emerging mental health need. Often times, CASAs are the first adults children confide in when they are struggling with their mental health.

Final Number of District Residents Served:

Proposed number of District residents to be directly served: 30

Final number of District residents directly served during the entire grant term: 30

Proposed number of District residents to be indirectly served: 0

**Final number of District residents indirectly served during the entire grant term:
66**

Please answer the following questions

1. Please describe any specific issues/barriers in meeting the proposed project goals:

VFC did not experience any barriers that would prevent us from meeting project goals. However, our most significant ongoing challenge is recruiting additional community members to volunteer as CASAs. Although VFC continues to grow each year, as we have since our inception in 2015, we currently provide CASA advocacy to only one out of nine Coachella Valley children in foster care. More than 100 children are on our waiting list, so it is imperative that we continue to grow our program in order to provide a CASA to each child who needs one. Our greatest need is for male and Spanish-speaking volunteers.

This year, identifying new CASA volunteers was more challenging than in past years. Potential volunteers have told us that they are focusing on making up for lost time with friends and family. Volunteerism nationwide is still down 20 percent from pre-pandemic levels. To address this challenge, VFC launched a recruitment campaign called Your Voice, Their Future, with a goal of recruiting CASAs in Riverside and San Diego Counties to serve 100 additional children by May 1, 2023, the beginning of National Foster Care Awareness Month. Through this campaign, VFC asked current CASAs and supporters to send us the name and email of one person who they believed could be an outstanding CASA volunteer. We are proud to share that we exceeded our goal and matched a total of 204 children to CASAs.

2. Please describe any unexpected successes other than those originally planned.

VFC is proud that the Riverside County CASA program has continued its trajectory of growth as we aim to serve more children in foster care. This year, we served a total of 521 children, including a record 96 children in the Desert Healthcare District.

We are proud to highlight the steady progress we have made on our diversity, equity, and inclusion (DEI) efforts so that we can better meet the needs of the diverse population of children that we serve. We have continued Fostering Ideas, a bi-monthly DEI training program for all staff members, to provide a deeper awareness of DEI-related topics to our staff. One of the goals of our Fostering Ideas training sessions is to make connections between our staff and local individuals and community groups who are promoting diversity, equity, inclusion, and belonging. This year, we brought in several local subject matter experts and other leaders to speak with our staff about their work in the community.

We also want to highlight an organizational leadership change. Jessica Muñoz became President and CEO of the entire VFC organization in March 2023 and Sharon Morris has been promoted to Managing Director–Riverside County. Sharon has served as Director of Programs in Riverside County for the past five years. We are proud to continue to work with both of these Riverside County VFC leaders in a new capacity. These promotions reflect the work our Riverside County CASA program team has done to establish a credible program and to grow it every year since its inception in 2015.

3. After the initial investment by the DHCD how will the project be financially sustained?

VFC is committed to the sustainability of the Riverside County CASA program for years to come. Creating and maintaining a diverse revenue stream supports our sustainability. Our Riverside County budget is comprised of revenue generated primarily through foundation and corporate support (42%), government grants (41%), and individual philanthropy (17%). We solicit support through grant requests, major gift solicitations, and direct mail campaigns.

4. List five things to be done differently if this project were to be implemented and/or funded again.

VFC is incredibly grateful for the ongoing support of the Desert Healthcare District in providing services to Coachella Valley children in foster care. When our core program expenses are covered, it becomes possible for us to reflect, learn, and try new approaches so we can provide the best possible support to the children we serve. The following are a few things we plan to implement in fiscal year 2023-24:

- 1. Expansion of Volunteer Recruitment:** Kathi Shaner was recently promoted to Recruitment Manager. This transition is in line with the expanded responsibilities she has undertaken, including managing a team of current and former CASA volunteers who will support our recruitment efforts.
- 2. Enhancement of Cultural Responsiveness:** This year, we will implement a stipend for fluent, bilingual Spanish-English speaking staff at VFC. We expect that this additional compensation will help us to recruit and retain staff members who help us to address the language needs of children from Spanish-speaking families.

This is important because many of our children's caregivers and parents either speak only Spanish or are much more comfortable speaking Spanish.

3. Refresher Training for Desert Social Workers: Our staff will provide training about our services to social workers who refer Coachella Valley children to the CASA program. This will help us to ensure that children from the Coachella Valley in need of advocacy are connected with a CASA as soon as possible.

4. Enhance Services to Justice-Involved Youth: Some of the youth we serve are dual status youth, or youth who are involved in the dependency (foster care) and juvenile justice systems. We have observed that justice-involved youth are often the youth who would benefit most from the support and advocacy of a CASA. In the past, justice-involved youth were only assigned a CASA if they were referred for one. However, the current Presiding Judge understands the benefits that a CASA provides. With his support, we have worked with the court to implement an auto-referral process for all youth who are adjudged dual status, and we are looking forward to providing greater support to these youth in the coming year.

5. Serve more Children: VFC will continue to grow our organization in the future. During fiscal year 2023-24, we plan to provide CASAs to 540 children.

Grant Progress Report

Organization Name: Galilee Center

Grant #: 1324

Project Title: Our Lady of Guadalupe Center

Contact Information:

Contact Name: Claudia Castorena

Phone: (760) 396-9100

Email: ccastorena@galileecenter.org

Grant Information

Total Grant Amount Awarded: \$ 100,000.00

Grant Term (example 7/1/22 – 6/30/23): 08/01/2022-07/31/2024

Reporting Period (example 7/1/22 – 10/31/22): 02/01/2023-07/31/2023

Desert Healthcare District Strategic Plan Alignment

Goal: 5

Strategy: 5.3

Progress This Reporting Period

Please describe your project accomplishment(s) during this reporting period in comparison to your proposed goal(s) and evaluation plan.

For the six months, 02/01/2023 to 07/31/2023, the Galilee Center's Our Lady of Guadalupe Shelter accomplished its goals. Galilee helped 43 unduplicated farm workers and 813 unduplicated asylum-seeking people. All guests received shelter, hot meals, showers, access to our laundry facility, hygiene supplies, and other basics. In addition, the GC intake workers assisted all asylum-seeking people in communicating with their sponsors in the USA and helped coordinate all travel arrangements.

The migrant farm workers arrived between February and June 2023 and stayed an average of 40 days. The asylum-seeking families stayed an average of 24-36 hours before moving to their destination.

Goal #1:

By June 30, 2024, the Our Lady of Guadalupe Center will provide services annually for 150 unduplicated farm/migrant farm workers and 1,156 unduplicated asylum seekers. The services available 24 hours a day include women's and men's restroom facilities (ADA accessible) and separate sleeping areas. Private shower stalls, sinks, hot and cold water, lockers, and a laundry facility with washers, dryers, and supplies. A community room will be available, offering room for relaxation and other social and enrichment programs.

Progress of Goal #1:

During the reporting period, the Our Lady of Guadalupe Center provided shelter to 43 farm workers and 813 asylum-seeking people (361 children, 61 women, and 391 men). The people had access to restroom facilities, sleeping areas, private shower stalls, hot and cold water, lockers, a laundry facility, a relaxing community room, and other social and enrichment activities.

Goal #2:

The Our Lady of Guadalupe Center will provide wrap-around services annually to farm/migrant farm workers and asylum seekers to provide a healthy and pleasant stay. Services include shelter, hot meals, snacks, showers, laundry, and travel arrangements when needed for asylum seekers.

By June 30, 2024, the Our Lady of Guadalupe Center will provide sleeping accommodations (nights of shelter) for 2,398 duplicated farm/migrant farm workers and 2,894 duplicated asylum seekers annually. Daily meals will provide 4,796 meals annually for farm/migrant workers and 15,250 for asylum seekers. The shower facility will provide annually 2,200 showers for farm/migrant farm workers and 3,426 showers for asylum seekers. Annually, 604 farm/migrant farm workers and 2,112 asylum seekers will use the laundry facilities.

Progress of Goal #2:

During the reporting period, the Our Lady of Guadalupe Center welcomed migrant farm workers and asylum-seeking families. It provided a clean, safe, and healthy environment to ensure a pleasant and dignified stay.

Services given:

- Nights of Shelter – 1,734 for migrant workers – 499 for asylum seekers.
- Hot Meals – 3,386 for migrant workers – 1,318 for asylum seekers.
- Showers – 1,816 for migrant workers – 499 for asylum seekers.
- Laundry – 422 for migrant workers – 472 for asylum seekers.

The staff also assisted farm workers with medical referrals, filling out unemployment forms, and other basic needs. In addition, all asylum-seeking people received other essentials such as new undergarments, clothing, hygiene supplies, and backpacks. 65 babies received baby diapers, formula, and food.

The intake/caseworkers assisted all families in connecting with their sponsors and coordinated travel arrangements and transportation. The families that did not have a sponsor to receive them were referred to the GC extended stay shelter in Indio.

Progress on the Number of District Residents Served

Proposed number of District residents to be *directly* served:

Total: 1306

Number of Unduplicated District Residents Directly Served During This Reporting Period:

856

Proposed number of District residents to be *indirectly* served:

Total: 0

Number of Unduplicated District Residents Indirectly Served During This Reporting Period:

985

Please answer the following questions:

- **Is the project on track in meeting its goals?**
Yes
- **Please describe any specific issues/barriers in meeting the project goals.**
There are no issues/barriers in meeting the project goals.
- **If the project is not on track, what is the course correction?**
N/A
- **Describe any unexpected successes during this reporting period other than those originally planned.**

The number of asylum-seeking people assisted in the first year has surpassed the goal established for the two-year period.

Grant Progress Report

Organization Name: Organizacion en California de Lideres Campesinas, Inc.

Grant #: 1333

Project Title: Healthcare Equity for ECV Farmworker Women and Families

Contact Information:

Contact Name: Suguet Lopez

Phone: (909) 730-0626

Email: slopez@liderescampesinas.org

Grant Information

Total Grant Amount Awarded: \$150,000

Grant Term: 2/01/2023 - 1/31/2025

Reporting Period: 2/01/2023 - 8/31/2023

Desert Healthcare District Strategic Plan Alignment

Goal: Farmworker women and their families lack healthcare coverage due to their immigrant status in this country, their employer not offering health insurance to seasonal workers, or due to being laid off from work and thus losing their health benefits. On the other hand, women and girls who do have health coverage experience limited or no access to medical services due to high out of pocket expenses such as co-pays and deductibles, distant service locations, long waiting lists, or their partners controlling or prohibiting their doctor visits and their overall health decisions. Through this project, Lideres Campesinas expects that farmworkers are informed, connected, and have the support to navigate the systems to access healthcare services. Lideres' partners hear directly from the mobilized campesina community about ideas to enhance their operating policies that will better serve the needs of campesinas, their families, and the community at large. In general, Lideres Campesinas expects to see an increase number of farmworker women and girls in the Eastern Coachella Valley who have access to healthcare prevention and intervention medical services.

Strategic Plan Alignment:

Goal 2: Proactively expand community access to primary and specialty care services

Strategy 2.7: Utilize an equity lens to expand services and resources to underserved communities (Priority: High)

Goal 3: Proactively expand community access to behavioral/mental health services

Strategy 3.6 Educate community residents on available behavioral/mental health resources (Priority: Moderate)

Strategy 3.7 Collaborate/Partner with community providers to enhance access to culturally sensitive behavioral/mental health services (Priority: Moderate)

Progress This Reporting Period

Please describe your project accomplishment(s) during this reporting period in comparison to your proposed goal(s) and evaluation plan.

Goal #1:

Lideres Campesinas reaches out to at least 10,000 farmworker families in the Eastern Coachella Valley through at least 100 pre-planned peer to peer community events over the course of two years and to help link at least 1500 farmworker women and their families to Mecca's Resource Center and medical providers in the area including Desert Healthcare Foundation's Mobile Clinic for assistance with completing healthcare coverage applications, such as Medical, Covered California, and/or to receive medical services such as pap smears, mammograms, mental health services, etc.

Progress of Goal #1:

During this reporting period, Lideres Campesinas has reached 6,923 farmworkers and their families through information tables, community events, resource fairs, one-on-one conversations, referrals, phone calls, community cultural events, vigils, and economic relief assistance outreach events. During the reporting period, 50 women and families were linked to the Mecca Resource Center and other medical providers who had interest. In the 118 events we have hosted and co-hosted in the Eastern Coachella valley, we have been able to link farmworkers to local resources including clinics and informed of future mobile clinics, health fairs, and resource events held in the Coachella Valley and how to access these resources. Lideres Campesinas has published 17 posts directly related to health resources and have reached 1,335 people through social media, as well as being a part of 4 news articles. We estimate community events will pick up as the season changes and more farmworkers will be working during the winter.

Goal #2:

In partnership with Alianza Nacional de Campesinas and Futures Without Violence, support the ongoing training of up to 7 farmworker leaders, located in the Eastern Coachella Valley (ECV), using the newly developed curriculum guide, on ACES, the health-impacts of toxic stress, and strategies to build resilience by June 2023.

Progress of Goal #2:

Lideres Campesinas and Alianza Nacional de Campesinas conducted the two 2-day

trainings for Coachella in 2022 using the ToT curriculum guide on ACES. All training of Lideres Campesinas farmworker leaders based on the ToT ACES curriculum guide, has been completed. In Coachella, a total of 7 farmworker leaders, and 2 staff from Lideres Campesinas, received this training. Lideres Campesinas participate in biweekly zoom meetings and maintained communication via email and phone calls with Futures Without Violence, Alianza Nacional de Campesinas, and Migrant Clinician's Network, to contribute to the development of our ACE's collaborative workplan. We stay in communication on reports, data collection, and strategic planning. Alianza Nacional de Campesinas, two Psychiatrists and Professors from Univeristy of California San Francisco, and Lideres Campesinas all collaborated in conducting monthly listening sessions with the Lideres Campesinas members.

Goal #3:

Trained Lideres Campesinas' members host follow up listening sessions with previously trained farmworkers on ACES and the health-impacts of toxic stress, and strategies to improve healthcare responses to both by September 2023.

Progress of Goal #3

Lideres Campesinas began outreach to invite 50 farmworker women in the area of Coachella for the listening sessions. The Lideres Campesinas trainers conducted outreach in the fields, grocery stores, medical centers, phone banking, and communities to invite farmworkers to learn about ACE's. Sessions were held at various locations such as some of the participant's or the trainer's homes, churches, and community centers. All peer led trainings and listening sessions led by Lideres Campesinas farmworker leaders have been completed and feedback information has been collected and analyzed by the partner, Migrant Clinician's Network.

Goal #4:

In partnership with Alianza Nacional de Campesinas and Futures Without Violence, Lideres Campesinas develops and delivers recommendations for ECV community health centers and other local health providers on how to improve partnerships, access and quality care related to ACEs for farmworkers by December 2024.

Progress of Goal #4:

Lideres Campesinas in Coachella continue to support the farmworker community by attending community events related to trauma-informed design and maintain contact with the farmworker participants to refer and connect with local services and agencies when needed. Borrego Health Clinic will not be participating in the project, as initially planned. Other local community clinics such as Innercare have been contacted for possible future collaborations but we have not received a response. We continue to contact various clinics and possible healthcare partners in the Eastern Coachella Valley. We plan to establish a clinic to collaborate with in Coachella and deliver information on community needs and feedback given by farmworkers on ACE's, ACE's screening, and related screening processes in community clinics.

Goal #5:

Trained Lideres Campesinas members work with Riverside University Health System – Public Health and local community groups to inform 4,000 farmworkers on the healing benefits of beautification and placemaking for sustained growth and development. This will be done through at least 24 activities such as obras, community tabling events, social media content, or community presentations by June 2024.

Progress of Goal #5:

Lideres Campesinas has connected with Riverside University Health System’s Public Health Department and local community organizations to host a community event in Oasis where eastern Coachella Valley community members and farmworker families attended. Lideres Campesinas has organized trainings and community workshops on restorative justice in the educational institutes for students living in Coachella, Thermal, Mecca, Northshore, and Oasis. As well as environmental justice trainings and workshops to address the effects of environmental and health effects on cities surrounding the Salton Sea. We have began the planning of community workshops with Riverside University Health System-Public Health, for the community of Oasis. We continue to host informational events on the beautification and healing journey of Oasis and ECV residents. A Total of 56 informational events took place during the reporting period in which the focus was informing on issues surrounding health such as the environment, gender violence, restorative justice, workplace safety, and physical health. In the event hosted for the beautification of Oasis there was a total of 50 farmworkers who attended and were educationally informed of the healing benefits of beautification and placemaking for sustained growth and development.

Progress on the Number of District Residents Served

Number of Unduplicated District Residents Directly Served During This Reporting Period: 6,973

Number of Unduplicated District Residents Indirectly Served During This Reporting Period: 2012

Please answer the following questions:

- **Is the project on track in meeting its goals?**

Yes, the project is on track to meeting its goals.

- **Please describe any specific issues/barriers in meeting the project goals.**

During the summer in the Eastern Coahcella Valley, there is a decrease in community events but as it starts to cool down there will be multiple events and constant outreach.

- **If the project is not on track, what is the course correction?**
- **Describe any unexpected successes during this reporting period other than those originally planned.**

Lideres Campesinas has received feedback from the 50 farmworkers who learned about ACEs to continue providing workshops to the community and they requested to have another workshop so that they can learn more and tell their friends and families. The pre-questionnaire and post-questionnaire from the ACEs farmworker participants showed an increase of knowledge on ACEs and health effects. We have also increased our connections with farmworkers through the outreach being done surrounding economic relief applications, although some have already applied, we connected with farmworkers and added them to our database for future events.

Report Period: 08/01/2023 - 08/31/2023
(Monthly report due the 15th of each month)

Reported by:

<p>Program/Project Information:</p> <p>Grant # 1329 Project Title: DPMG Health Street Medicine Start Date: 10/1/2022 End Date: 9/30/2025 Term: 36 months Grant Amount: \$500,000.00 Executive Summary: Desert Physicians Medical Group Health is committed to bridging health and community. We plan to expand access and provide care for those living in the Coachella Valley. This funding will provide support for the medical mobile unit and communities we serve. It is anticipated that 3,000 patient encounters will be conducted via the medical mobile unit by September 20, 2023 with an expansion by September 30, 2025 to increase total annual patient encounters to at least 7,000 per year, including primary and specialty care services.</p>

Goal	Goal/ Objective/ Other Topics	Successes, Emergent Issues, Challenges, Findings, and Supportive Information (Graphs, reports, indicator results, etc.)																							
1. Collaboration																									
2. Services	By September 30, 2023, provide primary and specialty care services to 3,000 patients.	<p>The table and graph below illustrates the total number of patient encounters seen since the launch of services on October 1, 2022 up to this reporting period.</p> <table border="1"> <thead> <tr> <th rowspan="2">Date</th> <th rowspan="2">Location</th> <th rowspan="2"># of Patients seen</th> <th colspan="2">Gender</th> <th colspan="3">Age</th> <th rowspan="2">Unknown</th> </tr> <tr> <th>Female</th> <th>Male</th> <th>≤ 18 yo</th> <th>19-64 yo</th> <th>≥ 65 yo</th> </tr> </thead> <tbody> <tr> <td colspan="9" style="text-align: center; background-color: #0056b3; color: white;">October 2022</td> </tr> </tbody> </table>	Date	Location	# of Patients seen	Gender		Age			Unknown	Female	Male	≤ 18 yo	19-64 yo	≥ 65 yo	October 2022								
Date	Location	# of Patients seen				Gender		Age				Unknown													
			Female	Male	≤ 18 yo	19-64 yo	≥ 65 yo																		
October 2022																									

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

10/14/22	Our Lady of Guadalupe - Street Medicine	3	1	2	0	2	1	0
10/15/22	Oasis Thermal - Arsenic Clinic	28	16	12	5	23	0	0
10/22/22	Desert Hot Springs Health & Wellness Center	30	22	8	6	19	5	0
10/28/22	Our Lady of Guadalupe - Street Medicine	4	2	2	0	3	1	0
November 2022								
11/11/22	Our Lady of Guadalupe - Street Medicine	2	0	2	0	2	0	0
11/19/22	Oasis Thermal - Arsenic Clinic	10	7	3	0	9	1	0
December 2022								
12/9/22	Our Lady of Guadalupe - Street Medicine	5	0	5	0	4	1	0
12/23/22	Our Lady of Guadalupe - Street Medicine	6	2	4	0	5	0	1
January 2023								
1/6/23	Our Lady of Guadalupe - Street Medicine	7	2	5	0	5	2	0
1/19/23	Headstart Nursery	30	12	18	0	24	5	1
1/19/23	Tudor Ranch	76	21	55	0	56	16	4

RFP - 2022-001 - Monthly Report Period Date: 08/01/2023 - 08/31/2023

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

1/20/23	Our Lady of Guadalupe - Street Medicine	3	0	3	0	3	0	0
1/25/23	Mobile Van Clinic	1	1	0	0	1	0	0
1/28/23	Palm Springs Health Run & Wellness Festival	3	0	3	0	2	1	0
February 2023								
2/3/23	Our Lady of Guadalupe - Street Medicine	2	1	1	0	2	0	0
2/17/23	Our Lady of Guadalupe - Street Medicine	11	3	8	0	7	2	2
2/22/23	Anthony Vineyards	71	9	62	1	57	12	1
March 2023								
3/3/23	Our Lady of Guadalupe - Street Medicine	9	3	6	0	9	0	0
3/10/23	Our Lady of Guadalupe - Street Medicine	6	2	4	0	4	0	2
3/14/23	Galilee Center at Western Sands Motel - Refugee Clinic	59	33	26	34	24	1	0
3/17/23	Our Lady of Guadalupe - Street Medicine	3	0	3	0	2	1	0
3/19/23	Anthony Vineyards - "Dia de la Familia" Health Fair	46	27	19	6	33	6	1

RFP - 2022-001 - Monthly Report Period Date: 08/01/2023 - 08/31/2023

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

3/21/23	Galilee Center at Western Sands Motel - Refugee Clinic	40	21	19	17	23	0	0
3/24/23	Our Lady of Guadalupe - Street Medicine	5	1	4	0	3	2	0
3/28/23	Galilee Center at Western Sands Motel - Refugee Clinic	37	18	19	20	17	0	0
3/31/23	Our Lady of Guadalupe - Street Medicine	6	1	5	0	4	1	1
April 2023								
4/4/23	Galilee Center at Western Sands Motel - Refugee Clinic	16	6	10	7	9	0	0
4/11/23	Galilee Center at Western Sands Motel - Refugee Clinic	56	23	33	30	26	0	0
4/14/23	Our Lady of Guadalupe - Street Medicine	11	2	9	0	8	3	0
4/18/23	Galilee Center at Western Sands Motel - Refugee Clinic	56	26	30	19	37	0	0
4/21/23	Our Lady of Guadalupe - Street Medicine	15	1	14	0	11	1	3
4/25/23	Galilee Center at Western Sands Motel -	41	14	27	11	30	0	0

RFP - 2022-001 - Monthly Report Period Date: 08/01/2023 - 08/31/2023

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

	Refugee Clinic							
4/28/23	Our Lady of Guadalupe - Street Medicine	10	3	7	0	6	1	3
May 2023								
5/2/23	Galilee Center at Western Sands Motel - Refugee Clinic	35	15	20	8	26	1	0
5/3/23	Mental Health Awareness Fair	36	25	11	5	31	0	0
5/4/23	John Glenn Middle School Tdap Clinic	12	5	7	11	1	0	0
5/5/23	Our Lady of Guadalupe - Street Medicine	16	5	11	0	10	4	2
5/8/23	Indio Middle School Tdap Clinic	18	10	8	15	3	0	0
5/9/23	Galilee Center at Western Sands Motel - Refugee Clinic	35	19	16	5	30	0	0
5/10/23	Valle Del Sol Elementary Tdap Clinic	35	20	15	34	1	0	0
5/10/23	Saul Martinez Elementary Tdap Clinic	24	7	17	24	0	0	0
5/11/23	Thomas Jefferson Middle School Tdap Clinic	8	3	5	8	0	0	0

RFP - 2022-001 - Monthly Report Period Date: 08/01/2023 - 08/31/2023

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

		5/12/23	Our Lady of Guadalupe - Street Medicine	12	4	8	0	10	2	0
		5/15/23	Colonel Mitchell Paige Middle School Tdap Clinic	2	2	0	2	0	0	0
		5/16/23	Galilee Center at Western Sands Motel - Refugee Clinic	37	19	18	6	31	0	0
		5/17/23	Palm Desert Charter Middle School Tdap Clinic	31	11	20	31	0	0	0
		5/18/23	La Quinta Middle Stem Academy Tdap Clinic	34	12	22	34	0	0	0
		5/19/23	Our Lady of Guadalupe - Street Medicine	5	2	3	0	4	1	0
		5/20/23	CVUSD District Office Tdap/COVID Clinic	31	18	13	29	2	0	0
		5/22/23	Palm Desert High School Sports Physicals	289	135	154	289	0	0	0
		5/23/23	Galilee Center at Western Sands Motel - Refugee Clinic	29	13	16	7	22	0	0
		5/25/23	Sacred Heart Tdap Clinic & Sports Physicals	29	12	17	29	0	0	0
		5/26/23	Our Lady of Guadalupe	16	3	13	0	13	3	0

RFP - 2022-001 - Monthly Report Period Date: 08/01/2023 - 08/31/2023

		- Street Medicine							
5/30/23		Galilee Center at Western Sands Motel - Refugee Clinic	44	21	23	19	25	0	0
5/31/23		La Quinta High School Sports Physicals	288	128	160	288	0	0	0
June 2023									
6/1/23		Cathedral City High School Sports Physicals	197	94	103	197	0	0	0
6/2/23		Our Lady of Guadalupe - Street Medicine	13	4	9	0	10	2	1
6/5/23		Palm Springs High School Sports Physicals	231	152	79	231	0	0	0
6/6/23		Galilee Center at Western Sands Motel - Refugee Clinic	25	14	11	10	15	0	0
6/9/23		Our Lady of Guadalupe - Street Medicine	11	2	9	0	9	2	0
6/13/23		Galilee Center at Western Sands Motel - Refugee Clinic	17	7	10	5	12	0	0
6/14/23		Gene Autry Wash	6	2	4	0	6	0	0
6/20/23		Galilee Center at	13	1	12	0	13	0	0

RFP - 2022-001 - Monthly Report Period Date: 08/01/2023 - 08/31/2023

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

	Western Sands Motel - Refugee Clinic							
6/21/23	Gene Autry Wash	12	6	6	0	10	2	0
6/23/23	Our Lady of Guadalupe - Street Medicine	13	3	10	0	10	3	0
6/27/23	Galilee Center at Western Sands Motel - Refugee Clinic	17	7	10	4	13	0	0
6/28/23	Gene Autry Wash	7	2	5	0	6	1	0
6/30/23	Our Lady of Guadalupe - Street Medicine	10	1	9	0	9	0	1
July 2023								
7/5/23	Gene Autry Wash	23	6	17	0	23	0	0
7/5/23	Palm Springs - Gojji	8	1	7	0	7	1	0
7/6/23	Palm Springs - Gojji	12	7	5	0	11	1	0
7/7/23	Our Lady of Guadalupe - Street Medicine	13	3	10	0	10	3	0
7/7/23	Palm Springs - Gojji	4	4	0	0	4	0	0
7/10/23	Palm Springs - Gojji	2	1	1	0	2	0	0
7/11/23	Galilee Center at Western Sands Motel - Refugee Clinic	36	20	16	15	21	0	0

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

7/11/23	Palm Springs - Gojji	2	1	1	0	2	0	0
7/12/23	Gene Autry Wash	10	3	7	0	8	2	0
7/12/23	Palm Springs - Gojji	2	1	1	0	2	0	0
7/13/23	Palm Springs - Gojji	14	6	8	0	12	2	0
7/14/23	Our Lady of Guadalupe - Street Medicine	18	10	8	0	17	1	0
7/14/23	Palm Springs - Gojji	5	3	2	0	5	0	0
7/17/23	Palm Springs - Gojji	4	2	2	0	4	0	0
7/18/23	Galilee Center at Western Sands Motel - Refugee Clinic	39	21	18	17	22	0	0
7/18/23	Palm Springs - Gojji	3	1	2	0	3	0	0
7/19/23	Gene Autry Wash	11	4	7	0	10	1	0
7/19/23	Palm Springs - Gojji	4	2	2	0	3	1	0
7/20/23	Coachella Valley Housing Coalition	5	4	1	0	3	2	0
7/20/23	Palm Springs - Gojji	5	2	3	0	4	1	0
7/21/23	Our Lady of Guadalupe - Street Medicine	17	7	10	0	15	2	0
7/21/23	Palm Springs - Gojji	5	5	0	0	5	0	0
7/24/23	Palm Springs - Gojji	4	1	3	0	4	0	0
7/25/23	Galilee Center at	28	15	13	13	15	0	0

RFP - 2022-001 - Monthly Report Period Date: 08/01/2023 - 08/31/2023

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

	Western Sands Motel - Refugee Clinic							
7/25/23	Palm Springs - Gojji	1	1	0	0	1	0	0
7/26/23	Gene Autry Wash	15	3	12	0	13	1	1
7/26/23	Palm Springs - Gojji	5	4	1	0	4	1	0
7/27/23	Palm Springs - Gojji	13	6	7	0	13	0	0
7/28/23	Our Lady of Guadalupe - Street Medicine	29	9	20	0	26	2	1
7/28/23	Palm Springs - Gojji	5	3	2	0	4	1	0
7/31/23	Substance Abuse Recovery Home	33	12	21	3	29	1	0
7/31/23	Palm Springs - Gojji	4	3	1	0	4	0	0
August 2023								
8/1/23	Galilee Center at Western Sands Motel - Refugee Clinic	22	14	8	9	13	0	0
8/1/23	Palm Springs - Gojji	1	0	1	0	1	0	0
8/2/23	Gene Autry Wash	6	4	2	0	6	0	0
8/2/23	DSUSD District Tdap Clinic	36	16	20	36	0	0	0
8/2/23	Palm Springs - Gojji	6	2	4	0	4	2	0
8/3/23	Palm Springs - Gojji	6	3	3	0	4	2	0

RFP - 2022-001 - Monthly Report Period Date: 08/01/2023 - 08/31/2023

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

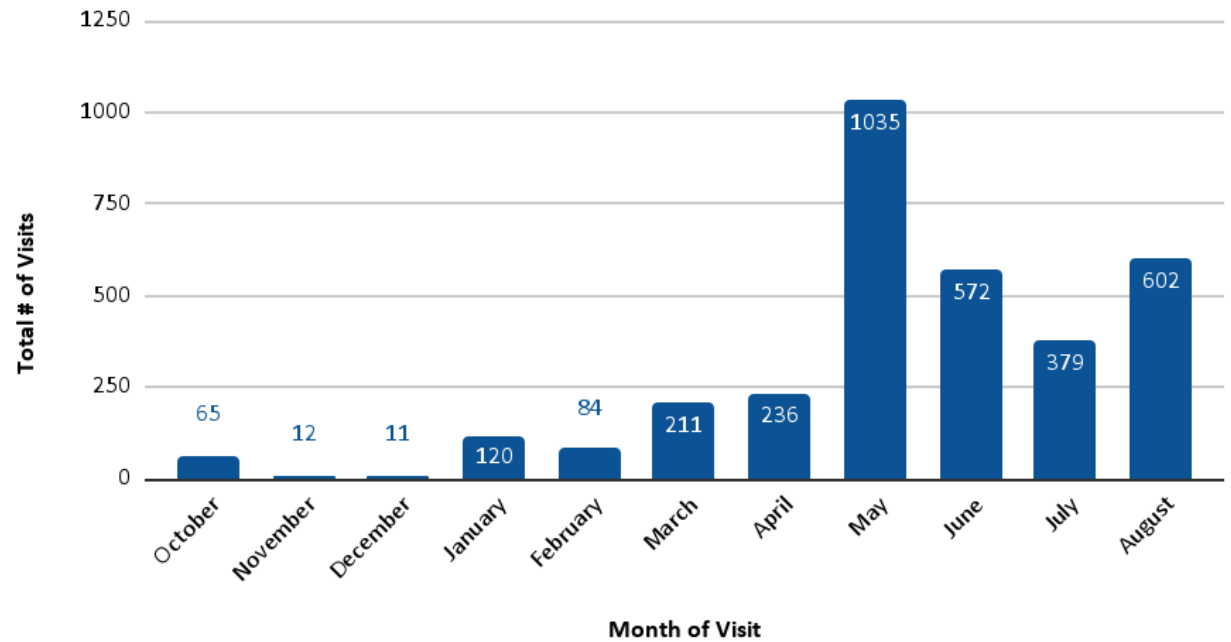
		8/4/23	Our Lady of Guadalupe - Street Medicine	15	5	10	0	13	2	0
		8/4/23	Palm Springs - Gojji	8	5	3	0	8	0	0
		8/7/23	La Quinta Middle School Tdap Clinic	75	38	37	74	1	0	0
		8/7/23	Palm Springs - Gojji	5	4	1	0	5	0	0
		8/8/23	Galilee Center at Western Sands Motel - Refugee Clinic	35	20	15	13	22	0	0
		8/9/23	Gene Autry Wash	4	1	3	0	3	1	0
		8/9/23	Palm Springs - Gojji	5	4	1	0	5	0	0
		8/10/23	Desert Ridge Academy Vaccine Clinic	48	27	21	47	1	0	0
		8/10/23	Palm Springs - Gojji	9	4	5	0	6	3	0
		8/11/23	Our Lady of Guadalupe - Street Medicine	13	6	7	0	10	3	0
		8/11/23	Palm Springs - Gojji	8	4	4	0	7	1	0
		8/14/23	Cahuilla Desert Academy Tdap Clinic	46	26	20	46	0	0	0
		8/14/23	Palm Springs - Gojji	5	3	2	0	5	0	0
		8/15/23	Galilee Center at Western Sands Motel - Refugee Clinic	15	6	9	4	10	1	0

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
RFP - 2022-001 - MONTHLY REPORT

	8/16/23	Gene Autry Wash	6	1	5	0	5	1	0
	8/16/23	Palm Springs - Gojji	4	2	2	0	3	1	0
	8/17/23	Palm Springs - Gojji	5	1	4	0	4	1	0
	8/17/23	Woodspur Farms	35	25	10	2	33	0	0
	8/18/23	Our Lady of Guadalupe - Street Medicine	9	1	8	0	6	3	0
	8/18/23	Palm Springs - Gojji	7	6	1	0	7	0	0
	8/22/23	Galilee Center at Western Sands Motel - Refugee Clinic	22	12	10	6	16	0	0
	8/22/23	Palm Springs - Gojji	2	1	1	0	2	0	0
	8/23/23	Toro Canyon Middle School Tdap Clinic	13	11	2	13	0	0	0
	8/23/23	Thomas Jefferson Middle School Tdap Clinic	9	6	3	9	0	0	0
	8/23/23	Palm Springs - Gojji	4	1	3	0	4	0	0
	8/24/23	Desert Hot Springs Unhoused Outreach	17	7	10	0	13	4	0
	8/24/23	Palm Springs - Gojji	6	3	3	0	6	0	0
	8/25/23	Our Lady of Guadalupe - Street Medicine	7	2	5	0	4	3	0
	8/25/23	Palm Springs - Gojji	6	2	4	0	5	1	0

		8/28/23	Substance Abuse Recovery Home	20	7	13	2	15	3	0
		8/28/23	Palm Springs - Gojji	6	4	2	0	6	0	0
		8/29/23	Galilee Center at Western Sands Motel - Refugee Clinic	40	22	18	21	19	0	0
		8/30/23	Gene Autry Wash	6	2	4	0	6	0	0
		8/30/23	Palm Springs - Gojji	6	2	4	0	4	2	0
		8/31/23	Palm Springs - Gojji	4	1	3	0	3	1	0
		Totals Since October 2022		3327	1546	1781	1777	1383	142	25

DESERT PHYSICIANS MEDICAL GROUP MEDICAL MOBILE UNIT
Number of Patients Seen





**DESERT HEALTHCARE
DISTRICT & FOUNDATION**

Date: October 10, 2023
To: Program Committee
Subject: Grant Applications, RFPs, and MOUs Submitted and Under Review

Staff Recommendation: Information only.

Grant Applications: The following grant and mini grant applications have been submitted and are under review by the grants team and are pending either proposal conferences and/or a site visit. Recommendations/suggested decisions will be brought forward to the Program Committee for possible action:

1. Grant# #1407 CV Volunteers in Medicine - \$473,769 to support overall no charge, primary care medical visits, limited specialty care and related healthcare services to low-income and uninsured, or underinsured residents, housed and unhoused.
 - a. Status: **On the October 10th Program Committee agenda for review and consideration**
2. Grant #1409 UCR School of Medicine - \$475,609 for three years to support and engage doctors in training (medical students) in the screening, diagnosis, and treatment of cardiovascular disease among patients accessing the Coachella Valley Free Clinic in Mecca.
 - a. Status: **Pending a second proposal conference**
3. Grant #1410 Alianza Nacional de Campesinas, Inc.-\$57,499 to support the food distribution program within the farmworker communities in Eastern Coachella Valley.
 - a. Status: **On the October 10th Program Committee agenda for review and consideration**
4. Grant #1403 Vision to Learn - \$50,000 to support mobile eye screening and distribution of free glasses to Coachella Valley students.
 - a. Status: **site visit and proposal conference TBD**
5. Grant #1412 DPMG Health - \$1,057,396 over 2 years to support the funding of the new mobile medical trailer; purchase of the van to pull the new mobile medical trailer; and startup of a medical home (a free-standing clinic) to establish a full pharmacy, order medications and vaccinations at wholesale cost, store medications, refrigerate medications and have a clinical site for patient follow-up as well as tele-health services for the psychiatrist.
 - a. Status: **On the October 10th Program Committee agenda for review and consideration**
6. Grant #1413 Voices for Children - \$81,055 to support a portion of the salaries of CASA program staff and associated indirect expenses.

- a. Status: **On the October 10th Program Committee agenda for review and consideration**
7. Mini Grant #1416 The Bridges 2 Hope - \$10,000 to support street outreach services and programs for the homeless
 - a. Status: **Proposal conference TBD**
8. Mini Grant #1418 Laundry Love/St. Margaret's Episcopal Church - \$10,000 – to support the cost of washing clothes and bedding for impoverished families through a partnership with a local laundromat (to be determined)
 - a. Status: **Proposal conference TBD**

Recently Board-approved grants:

1. Grant #1400 Desert ARC \$271,307 to support, for one year, one LVN salary for Day Program; AEDs for buses and vehicles in transportation program; and contracted Behavior Health Analyst
2. Grant #1404 Martha's Village and Kitchen \$369,730 for two years to cover staffing costs for outreach and wraparound services at Indio and 4 targeted cities; staffing for Employment Specialists; staffing for Case Manager and other operating costs
3. Grant #1405 Variety Childrens Charities of the Desert - \$120,852 to support, for one year, support the cost of hiring two bilingual full time Program Specialists in the expansion of the organization's Caring Connections program.

Recently Staff-approved Mini Grants:

- Desert Access and Mobility \$10,000 *Mobility/Management Assistance* (The agency is grateful to be offered the DHCD contracted services of NPO Centric to conduct an agency assessment)

Recently declined grants:

There have been no declinations.

DESERT HEALTHCARE DISTRICT							
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE							
September 30, 2023							
TWELVE MONTHS ENDING JUNE 30, 2024							
Grant ID Nos.	Name	Approved Grants - Prior Yrs	6/30/2023 Bal Fwd	Current Yr 2023-2024	Total Paid Prior Yrs July-June	Total Paid Current Yr July-June	Open BALANCE
2014-MOU-BOD-11/21/13	Memo of Understanding CVAG CV Link Support	\$ 10,000,000	\$ 3,320,000		\$ -		\$ 3,320,000
2022-1301-BOD-01-25-22	UCR Regents - Community Based Interventions to Mitigate Psychological Trauma - 1 Yr. Unexpended funds Grant #1301	\$ 113,514	\$ 11,352		\$ 5,747		\$ 5,605 \$ (5,605)
2022-1311-BOD-04-26-22	Desert Arc - Healthcare for Adults with Disabilities Project Employment of Nurses - 1 Yr.	\$ 102,741	\$ 10,275		\$ 10,275		\$ -
2022-1313-BOD-04-26-22	Angel View - Improving Access to Primary and Specialty Care Services for Children With Disabilities 1 Yr.	\$ 76,790	\$ 7,680		\$ 7,680		\$ -
2022-1314-BOD-05-24-22	Voices for Children - Court Appointed Special Advocate Program - 1 Yr.	\$ 60,000	\$ 6,000		\$ 6,000		\$ -
2022-1325-BOD-06-28-22	Vision Y Compromiso - CVEC Unrestricted Grant Funds - 2 Yrs.	\$ 150,000	\$ 82,500		\$ -		\$ 82,500
2022-1327-BOD-06-28-22	Youth Leadership Institute - Youth Voice in Mental Health - 2 Yrs.	\$ 50,000	\$ 27,500		\$ -		\$ 27,500
2022-1328-BOD-06-28-22	El Sol - Expanding Access to Educational Resources for Promotoras - 2 Yrs.	\$ 150,000	\$ 82,500		\$ -		\$ 82,500
2022-1331-BOD-06-28-22	Pueblo Unido - Improving Access to Behavioral Health Education and Prevention Services - 2 Yrs.	\$ 50,000	\$ 27,500		\$ 11,250		\$ 16,250
2022-1324-BOD-07-26-22	Galilee Center - Our Lady of Guadalupe Shelter - 2 Yr.	\$ 100,000	\$ 55,000		\$ 22,500		\$ 32,500
2022-1332-BOD-07-26-22	Alianza CV - Expanding and Advancing Outreach Through Increasing Capacity Development - 2 Yrs.	\$ 100,000	\$ 55,000		\$ -		\$ 55,000
2022-1329-BOD-09-27-22	DPMG - Mobile Medical Unit - 3 Yrs.	\$ 500,000	\$ 450,000		\$ 46,395		\$ 403,605
2022-1350-BOD-09-27-22	JFK Memorial Foundation - Behavioral Health Awareness and Education Program - 1 Yr.	\$ 57,541	\$ 5,755		\$ -		\$ 5,755
2022-1355-BOD-09-27-22	Joslyn Center - The Joslyn Wellness Center - 1 Yr.	\$ 85,000	\$ 8,500		\$ -		\$ 8,500
2022-1361-BOD-09-27-22	DAP Health - DAP Health Monkeypox Virus Response - 1 Yr. Unexpended funds Grant #1361	\$ 586,727	\$ 340,654		\$ 7,659		\$ 332,995 \$ (332,995)
2022-1356-BOD-10-25-22	Blood Bank of San Bernardino/Riverside Counties - Coachella Valley Therapeutic Apheresis Program - 1 Yr.	\$ 140,000	\$ 77,000		\$ 63,000		\$ 14,000
2022-1358-BOD-10-25-22	Foundation for Palm Springs Unified School District - School-Based Wellness Center Project - 1 Yr.	\$ 110,000	\$ 60,500		\$ -		\$ 60,500
2022-1362-BOD-10-25-22	Jewish Family Service of the Desert - Mental Health Counseling Services for Underserved - 2 Yrs.	\$ 160,000	\$ 124,000		\$ 36,000		\$ 88,000
2022-1326-BOD-12-20-22	TODEC - TODEC's Equity Program - 2 Yrs.	\$ 100,000	\$ 77,500		\$ -		\$ 77,500
2022-1330-BOD-12-20-22	OneFuture Coachella Valley - Building a Healthcare Workforce Pipeline - 2 Yrs.	\$ 605,000	\$ 468,874		\$ 68,062		\$ 400,813
2022-1369-BOD-12-20-22	ABC Recovery Center - Cost of Caring Fund Project - 1 Yr.	\$ 332,561	\$ 257,735		\$ 74,826		\$ 182,909
2023-1333-BOD-01-24-23	Organizacion en California de Lideres Campesinas - Healthcare Equity for ECV Farmworker Women - 2 Yrs.	\$ 150,000	\$ 116,250		\$ -		\$ 116,250
2023-1363-BOD-01-24-23	Pegasus Riding Academy - Pegasus Equine Assisted Therapy - 1 Yr.	\$ 60,092	\$ 33,052		\$ -		\$ 33,052
2023-1372-BOD-02-28-23	Reynaldo J. Carreon MD Foundation - Dr. Carreon Scholarship Program - 1 Yr.	\$ 50,000	\$ 27,500		\$ -		\$ 27,500
2023-1391-BOD-05-23-23	Lift To Rise - Driving Regional Economic Stability Through Collective Impact - 3 Yrs.	\$ 900,000	\$ 832,500		\$ -		\$ 832,500
2023-1392-BOD-05-23-23	Galilee Center - Galilee Center Extended Shelter - 1 Yr.	\$ 268,342	\$ 207,965		\$ -		\$ 207,965
2023-1393-BOD-06-27-23	DAP Health - DAP Health Expands Access to Healthcare - 1 Yr.	\$ 1,025,778	\$ 1,025,778		\$ 230,800		\$ 794,978
2023-1398-BOD-06-27-23	Desert Healthcare Foundation - Core Operating Support - 1 Yr.	\$ 750,000	\$ 750,000		\$ 750,000		\$ -
2023-BOD-06-27-23	Carry over of remaining Fiscal Year 2022/2023 Funds for Mobile Medical Unit Program	\$ 395,524	\$ 395,524		\$ -		\$ 395,524
2023-1399-Mini-07-06-23	Theresa A. Mike Scholarship Foundation - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1401-Mini-07-07-23	Word of Life Fellowship Center - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1396-Mini-07-25-23	Boys & Girls Club of Coachella Valley - Mini Grant			\$ 10,000		\$ 10,000	\$ -
2023-1389-BOD-07-25-23	Step Up on Second Street - Step Up's ECM/ILOS Programs in the Coachella Valley - 1 Yr.			\$ 64,401	\$ 28,980		\$ 35,421
2023-1394-BOD-07-25-23	CSU San Bernardino Palm Desert Campus Nursing Street Medicine Program - 1 Yr.			\$ 73,422	\$ 33,040		\$ 40,382
2023-1397-Mini-08-23-23	Well In The Desert - Mini Grant			\$ 10,000	\$ 10,000		\$ -
2023-1402-Mini-09-05-23	Ronnie's House for Hope - Mini Grant			\$ 10,000	\$ 10,000		\$ -
2023-1414-Mini-09-14-23	Desert Access and Mobility, Inc. - Mini Grant			\$ 10,000	\$ 10,000		\$ -
2023-1400-BOD-09-26-23	Desert Arc - Desert Arc Health Care Program - 1 Yr.			\$ 291,271	\$ 65,536		\$ 225,735
2023-1404-BOD-09-26-23	Martha's Village and Kitchen - Homeless Housing and Wrap-Around Services Expansion - 2 Yrs.			\$ 369,730	\$ -		\$ 369,730
2023-1405-BOD-09-26-23	Variety Children's Charities of the Desert - Expansion of Core Programs and Services - 1Yr.			\$ 120,852	\$ 54,383		\$ 66,469
TOTAL GRANTS		\$ 17,229,610	\$ 8,944,395	\$ 979,676	\$ 1,340,194	\$ 241,939	\$ 8,003,337
Amts available/remaining for Grant/Programs - FY 2023-24:							
Amount budgeted 2023-2024			\$ 4,000,000			G/L Balance:	9/30/2023
Amount granted YTD:			\$ (979,676)			2131	\$ 5,528,337
Financial Audits of Non-Profits: Organizational Assessments			\$ -			2281	\$ 2,475,000
Net adj - Grants not used: 1361; 1301			\$ 338,600				
Matching external grant contributions			\$ -				
Balance available for Grants/Programs			\$ 3,358,924			Total	\$ 8,003,338
							\$ (0)



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
October 11, 2023

Directors Present	District Staff Present	Absent
Chair/Treasurer Arthur Shorr Vice-President Carmina Zavala, PsyD Director Leticia De Lara, MPA	Chris Christensen, Interim CEO Donna Craig, Chief Program Officer Alejandro Espinoza, Chief of Community Engagement Eric Taylor, Accounting Manager Andrea S. Hayles, Board Relations Officer	

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Shorr called the meeting to order at 5:05 p.m., exiting the meeting at 5:46 p.m., and requesting that Director De Lara chair the remainder of the meeting in his absence.	
II. Approval of Agenda	Chair Shorr asked for a motion to approve the agenda and move the audit reports to the beginning of the meeting.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the agenda and move the audit report to the beginning of the meeting. Motion passed unanimously.
III. Public Comment	There was no public comment.	
IV. Approval of Minutes 1. F&A Minutes – Meeting September 13, 2023	Chair Shorr motioned to approve the September 13, 2023, meeting minutes.	Moved and seconded by Director De Lara and Vice-President Zavala to approve the September 13, 2023, meeting minutes. Motion passed unanimously.
V. Interim CEO Report 1. 2024 Community Health Summit	Chris Christensen, Interim CEO, described the committee meeting discussions for the community health summit, the preliminary budget of \$120k with \$140-\$145k in potential sponsorships, including the District, the environmental health theme, a March 21 st prospective date, and support	



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
October 11, 2023

	<p>from the Committee and Board to move forward.</p> <p>The committee recommended that staff determine if funds from the Avery Trust funds could assist with financing the Summit.</p>	
<p>VII. Chief Administration Officer Report</p> <p>1. Las Palmas Medical Plaza Update</p>	<p>Chris Christensen, Interim CEO, described the three vacant units at the Las Palmas Medical Plaza. Since Lab Corp is a large entity, the lease renewal usually requires a year to approve. The staff didn't receive the draft lease sooner than expected for the committee meeting, requesting consent to present the lease to the entire Board for approval at the October Board meeting for a November 1st renewal date.</p>	
<p>VIII. Financial Reports</p> <p>1. District and LPMP Financial Statements</p> <p>2. Accounts Receivable Aging Summary</p> <p>3. District – Deposits</p> <p>4. District – Property Tax Receipts</p> <p>5. LPMP Deposits</p> <p>6. District – Check Register</p> <p>7. Credit Card – Detail of Expenditures</p> <p>8. LPMP – Check Register</p> <p>9. Retirement Protection Plan Update</p> <p>10. Grant Payment Schedule</p>	<p>Chair Shorr reviewed the September financial statements with the committee.</p> <p>There were no questions or comments.</p>	<p>Moved and seconded by Director De Lara and Vice- Zavala to approve the September 2023 financials – items 1-10 and forward to the Board for approval. Motion passed unanimously.</p>



**DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
October 11, 2023**

<p>IX. Other Matters</p> <p>1. Craig Hartzheim – Moss Levy & Hartzheim – FY 2023 Audit Reports – District & RPP</p> <p>a. Management Letter, Communication Letter, Internal Controls Report</p> <p>b. District Audit Report</p> <p>c. RPP Audit Report</p> <p>d. Foundation Audit Report – (Information – Consideration of Approval during the Foundation Committee meeting)</p>	<p>Chris Christensen, Interim CEO, provided an overview of the District, Foundation, and Retirement Protection Plan audit reports and the single audit for review at a separate meeting.</p> <p>Craig Hartzheim, partner, Moss Levy & Hartzheim, described his familiarity with the District and Foundation and the internal controls of a small personnel with overlapping duties; however, there is appropriate oversight by the Board for fund disbursements and grant payouts. The opinions are clean and successful, with no material findings other than in the District financial statements. The prior auditors neglected the Governmental Accounting Standards Board (GASB) Statement No. 87 for long-term leases, such as the cell tower and the Las Palmas Plaza.</p> <p>There were no changes to the Retirement Protection Plan. Mr. Hartzheim highlighted the net pension asset with more funds in the investment account than required for any payouts – a positive position with the plan, further</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala and to approve the FY 2023 Audit Reports – District & RPP and forward to the Board for approval.</p> <p>Motion passed unanimously.</p>
--	---	--



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
October 11, 2023

<p>2. LPMP New Lease – DPMG Health – Suite 1W-204 – 2-year lease</p> <p>3. 2024 Palm Springs Health Run and Wellness Festival – \$35,000 Sponsorship</p>	<p>answering questions from the committee.</p> <p>The committee inquired about the relevance of the Related Party Transaction and the creation of the Coachella Valley Equity Collaborative (CVEC) CBOs, illustrating that the Foundation CEO’s wife is an associate director of one of the CBO’s, Vision y Compromiso. Chris Christensen, Interim CEO, communicated that whenever a transaction occurs with any party employed by the Foundation with a family member, it is standard practice to report the related party transaction.</p> <p>Chris Christensen, Interim CEO, described the DPMG Health 2-year lease related to their mobile medical unit grant proposal approved by the Program Committee for final authorization to the Board.</p> <p>Chris Christensen, Interim CEO, described the 75 Year Anniversary and promoting the District with the Health and Wellness Run, highlighting the marketing, advertising, and public awareness at the festival. The committee recommended that Director Zendle speak at the festival representing Zone 1.</p>	<p>Moved and seconded by Director De Lara and Vice-President Zavala and to approve LPMP New Lease – DPMG Health – Suite 1W-204 – 2-year lease and forward to the Board for approval. Motion passed unanimously.</p> <p>Moved and seconded by Director De Lara and Director Shorr and to approve the 2024 Palm Springs Health Run and Wellness Festival – \$35,000 Sponsorship and forward to the Board for approval. Motion passed unanimously.</p>
--	---	---



DESERT HEALTHCARE DISTRICT
FINANCE, ADMINISTRATION, REAL ESTATE, AND LEGAL COMMITTEE
MEETING MINUTES
October 11, 2023

X. Adjournment	Director De Lara adjourned the meeting at 5:47 p.m.	<i>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</i>
-----------------------	---	--

ATTEST: _____
Leticia De Lara, Director, Board of Directors
Finance & Administration Committee Chair
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Board Relations Officer



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: October 24, 2023
To: Board of Directors
Subject: Lease Agreement – Laboratory Corporation of America 3E 104-105

Staff Recommendation: Consideration to approve the updated draft lease agreement for Laboratory Corporation of America (LabCorp) at the Las Palmas Medical Plaza.

Background:

- LabCorp has been a long-standing tenant of the Las Palmas Medical Plaza.
- LabCorp’s current lease expires on October 31, 2023.
- LabCorp requested a lease of three years, with a base rent of \$1.76/square foot and a Tenant Improvement Allowance of \$10/square foot.
- Lease includes annual increases of the greater of 2.5% or CPI, not to exceed 5%.
- The lease terms were finalized the day of the October Finance & Administration Committee meeting, so it is being brought to the full Board for approval to allow the start date of November 1, 2023.
- Staff recommends approval of the draft lease agreement.
- Draft lease agreement is attached for review.

Fiscal Impact:

Estimated revenue from Rent and CAMs for life of the base lease - \$206,266.

Estimated cost of Tenant Improvement Allowance (\$10.00/sf) - \$22,000.

Net Lease Income (base lease) - \$184,266.

OFFICE BUILDING LEASE

Between

**DESERT HEALTHCARE DISTRICT,
DOING BUSINESS AS LAS PALMAS MEDICAL PLAZA
AS LANDLORD**

And

**LABORATORY CORPORATION OF AMERICA
AS TENANT**

DATED

November 1, 2023

Table of Contents

	Page
1. LEASE OF PREMISES.....	1
2. DEFINITIONS.....	1
3. EXHIBITS AND ADDENDA.....	2
4. DELIVERY OF POSSESSION.....	2
5. RENT.....	2
6. INTEREST AND LATE CHARGES.....	6
7. SECURITY DEPOSIT.....	6
8. TENANT’S USE OF THE PREMISES	6
9. SERVICES AND UTILITIES.....	6
10. CONDITION OF THE PREMISES.....	7
11. CONSTRUCTION, REPAIRS AND MAINTENANCE.....	7
12. ALTERATIONS AND ADDITIONS.....	9
13. LEASEHOLD IMPROVEMENTS; TENANT’S PROPERTY.....	9
14. RULES AND REGULATIONS.....	9
15. CERTAIN RIGHTS RESERVED BY LANDLORD.....	10
16. ASSIGNMENT AND SUBLETTING.....	10
17. HOLDING OVER.....	11
18. SURRENDER OF PREMISES.....	11
19. DESTRUCTION OR DAMAGE.....	12
20. EMINENT DOMAIN.....	12
21. INDEMNIFICATION.....	13
22. TENANT’S INSURANCE.....	13
23. WAIVER OF SUBROGATION.....	14

24. SUBORDINATION AND ATTORNMENT. 14

25. TENANT ESTOPPEL CERTIFICATE..... 15

26. TRANSFER OF LANDLORD’S INTEREST..... 15

27. DEFAULT. 15

28. BROKERAGE FEES..... 17

29. NOTICES..... 17

30. GOVERNMENT ENERGY OR UTILITY CONTROLS..... 17

31. Reserved..... 18

32. QUIET ENJOYMENT..... 18

33. OBSERVANCE OF LAW..... 18

34. FORCE MAJEURE. 18

35. CURING TENANT’S DEFAULTS. 18

36. SIGN CONTROL. 18

37. MISCELLANEOUS. 19

OFFICE BUILDING LEASE

This Office Building Lease (the "Lease") between Desert Healthcare District, doing business as Las Palmas Medical Plaza hereinafter referred to as "Landlord", and Laboratory Corporation of America, referred to as "Tenant", and is dated November 1, 2023.

This Lease replaces the prior Commercial Lease dated as of November 1, 2020 (the "Prior Lease"), between Landlord and Tenant. Landlord and Tenant agree that Tenant has been in continued possession of the Premises, there are no defaults under the Prior Lease and, upon execution of this Lease, the Prior Lease is of no further force and effect.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises described in Section 2l. The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants, and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

a. *Base Rent (Initial)*: \$ Forty-Six Thousand, Four-Hundred Sixty-Four Dollars 00/100 (\$46,464.00) per year.

b. *Base Year*: The calendar year of 2023

c. *Broker(s)*:

Landlord's: NONE

Tenant's: NONE

In the event that N/A represents both Landlord and Tenant, Landlord and Tenant hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.

d. *Commencement Date*: November 1st, 2023.

e. *Common Areas*: The building lobbies, common corridors and hallways, restrooms, parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.

f. *Expiration Date*: October 31st, 2026, unless otherwise sooner terminated in accordance with the provisions of this Lease.

g. *Landlord's Mailing Address*: 1140 N. Indian Canyon Dr., Palm Springs, CA 92262.

Tenant's Mailing Address: 13112 Evening Creek Dr. S., San Diego, CA 92128 Attn: Lease Administrator, with copy Laboratory Corporation of America Holdings, 521 South Spring Street, Burlington, North Carolina 27215 Attn: Law Department.

h. *Monthly Installments of Base Rent (initial)*: Three-Thousand Eight-Hundred Seventy-Two and 00/100 Dollars (\$3,872.00) per month.

i. *Project Operating Costs (CAMs)*: Currently Eighty Cents (\$.80) per square foot per month (\$9.60 annually).

- j. *Tenant Improvement Allowance (TI)*: **Ten Dollars (\$10.00)** per square foot or **Twenty-Two Thousand and 00/100 Dollars (\$22,000.00)** .
- k. *Parking*: Tenant shall be permitted, to park 11 cars on a non-exclusive basis in the area(s) designated by Landlord for parking (for Staff - generally in the back of the parking area, perimeter streets, and Wellness Park parking lot). Tenant shall abide by any and all reasonable parking regulations and rules established from time to time by Landlord or Landlord's parking operator.
- l. *Premises*: That portion of the Building containing approximately 2,200 square feet of Rentable Area, located in Building **3E** and known as Suite **104-105** .
- m. *Project*: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at **555 E. Tachevah Drive, Palm Springs, California 92262**. The Project is known as **The Las Palmas Medical Plaza** .
- n. *Rentable Area*: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.
- o. *Security Deposit (Section 7)*: *No Security Deposit is on file nor will be required for this lease term.*
- p. *State*: the State of California.
- q. *Tenant's First Adjustment Date (Section 5)*: The first day of the calendar month following the Commencement Date plus 12 months.
- r. *Tenant's Proportionate Share*: 4.46% . Such share is a fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of six building(s) containing a total Rentable Area of 49,356 square feet.
- s. *Tenant's Use Clause (Article 8)*: a patient service center and for related uses and purposes (e.g. collection, distribution and testing of clinical laboratory specimens, if applicable) and for related office uses.
- t. *Term*: The period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. Exhibit "A" Rules and Regulations.
- b. Addendum

4. DELIVERY OF POSSESSION.

Tenant currently is in possession of the Premises.

5. RENT.

5.1 *Payment of Base Rent*: Tenant agrees to pay the Base Rent for the Premises. Monthly installments of Base Rent shall be payable in advance on the first day of each calendar month of the Term. If the Term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease.

5.2 *Adjusted Base Rent*:

- a. The Base Rent (and the corresponding monthly installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date. Such adjustment shall be a

minimum of 2.5% over the preceding year, not to exceed 5%. Landlord shall utilize the Consumer Price Index (“CPI”) in the Riverside area to determine if annual adjustment rate shall be greater than 2.5% https://www.bls.gov/regions/west/news-release/consumerpriceindex_riverside.htm.

5.3 Project Operating Costs (CAMs):

- a. In order that the Rent payable during the Term reflect any Project Operating Costs (as hereinafter defined), Tenant agrees to pay to Landlord as Rent, Tenant’s Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation as set forth in 2i, all as provided below.
- b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this Lease, an amount equal to Tenant’s Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

(1) The term “Project Operating Costs” shall include all those items described in the following subparagraphs (a) and (b).

(a) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this lease or on the rent received under any other leases of space in the Building or Project, or (2) and license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transactions, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operation Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the “taxes” component of Project Operating Costs shall be adjusted by Landlord to reasonably Approximate the taxes, which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.

(b) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project); (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties solely connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenants); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service; (7) management of the Building

or Project, whether managed by Landlord or an independent contractor; (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by Landlord to reduce Project Operating Costs; all amortized over the useful life of the capital improvements based on then current industry standards or manufacturers specifications, as applicable, determined in accordance with GAAP (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project which under sound accounting principles consistently applied from year to year would be classified as a normal operation expense of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(c) Notwithstanding the foregoing, Project Operating Costs shall not include (i) any expense or charge attributable to repairs, replacements or improvements of a capital nature except as provided in Section 5.3.b(1)(b), or (ii) any so-called "administrative fee," "management fee" or administrative or overhead charges of any kind, except as provided in Section 5.3.b(1)(b), or (iii) costs of replacements to personal property and equipment for which depreciation costs are included as a Project Operating Costs, or (iv) portion of the cost of repairs due to casualty or condemnation which are reimbursed by third parties; or (v) any income, estate, inheritance, or other transfer tax and any excess profit, franchise, or similar taxes on Landlord's business; or (vi) all costs, including legal fees, relating to activities for the solicitation and execution of leases of space in the Project; (vii) depreciation or amortization, except as provided in Section 5.3.b(1)(b), (viii) any legal fees incurred by Landlord in enforcing its rights under leases for tenants' premises in the Project, (ix) repairs or improvements paid for from the proceeds of insurance (or which would have been paid from the proceeds of insurance required to be carried by Landlord under this Lease if Landlord has failed to carry such insurance).

(2) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

(a) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("Comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."

(b) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as reasonably estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expense for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.

(c) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is reasonably practical), Landlord shall deliver to Tenant a statement with reasonable supporting

documentation setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within thirty (30) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If the credit is due from Landlord on the Expiration Date, Landlord shall promptly pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.

- (d) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.
- (e) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office. Should an audit show that any statement of Project Operating Costs submitted by Landlord to Tenant was inaccurate, the parties will make an adjustment to reflect the actual Tenant's Proportionate Share of Project Operating Costs for the calendar year covered by the inaccurate statement. If an audit shows that Landlord has overstated Tenant's Proportionate Share of Project Operating Costs by more than 5% for any period, then Landlord will pay to Tenant upon demand, the costs of audit incurred by Tenant.

5.4 *Definition of Rent:* The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

5.5 *Rent Control:* If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions.

5.6 *Taxes Payable by Tenant:* In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

5.7 *Tenant Improvement Allowance:* In recognition for Tenant completing all improvements to the Premises as mutually agreed by Landlord and Tenant, Landlord shall provide Tenant with a Tenant Improvement Allowance not to exceed that set forth in Section 2j upon completion of the Tenant. This Tenant Improvement Allowance will be reimbursed to Tenant upon satisfactory receipt of paid invoices and inspection by Landlord that the Tenant Improvements have been satisfactorily completed. Any additional tenant improvements will be at the sole expense of the Tenant. The Tenant Improvements shall conform to a high quality of design approved by Landlord prior to commencement of work and shall be performed by a licensed General Contractor approved by Landlord in advance, provided Landlord's approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall submit plans and specifications for any and

all improvements to Landlord, and where necessary, the City of Palm Springs and other applicable government agencies for their required approval (if any) prior to commencement of work. Tenant and the General Contractor shall indemnify and hold Landlord and its officers, agents and employees harmless from any liability resulting from the Tenant Improvements and shall be named as an additional insured on the insurance policy of both the Tenant and the General Contractor. All costs shall be subject to applicable prevailing wages and if construction costs exceed \$25,000, then the Tenant Improvements shall also be subject to applicable California competitive bid statutes.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law or not to exceed ten percent (10%). Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within five (5) business days from the date it is due, Tenant shall pay Landlord a late charge equal to five percent (5%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

7. SECURITY DEPOSIT.

There is no Security Deposit required or currently on file with Landlord.

8. TENANT'S USE OF THE PREMISES

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything, which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon written demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days and hours, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required for

the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's reasonable charges therefore on demand. Landlord shall also maintain and keep lighted the Common Areas in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or devise in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of Premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of Premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services of Common Area in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession of the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

- a. *Landlord's Obligations:* Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.
- b. *Tenant's Obligations:*
- (1) Tenant shall complete Tenant Improvements to the Premises as described in Exhibit B.
 - (2) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures located within and exclusively serving the Premises, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.
 - (3) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which solely arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.
 - (4) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant written notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.
 - (5) Tenant shall accommodate Landlord with installation of interior fire sprinkler system at no cost to the Tenant.
- c. *Compliance with Law:* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.
- d. *Waiver by Tenant:* Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.
- e. *Load and Equipment Limits:* Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.
- f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises unless due to the negligence or misconduct of Landlord. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.

- g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.

12. ALTERATIONS AND ADDITIONS.

- a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the Term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of five percent (5%) of the cost of the work.
- b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notice at any reasonable time.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

- a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b.
- b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. RULES AND REGULATIONS.

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit "A" and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building of Project but shall endeavor to equitably enforce the Rules and Regulations among all tenants.

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant's use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord which consent shall not be unreasonably withheld, conditioned or delayed, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the Term set forth in Tenant's notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
 - (1) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
 - (2) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;

- (3) No assignment or sublease shall be valid and no assignee or sub lessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
- (4) No assignee or sub lessee shall have a further right to assign or sublet except on the terms herein contained; and
- (5) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.
- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sub lessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.
- d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sub lettings or amendments or modifications to the Lease with assignees of tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereof and any such actions shall not relieve Tenant of liability under this Lease.
- e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100 Dollars (\$150.00) plus any attorney's fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred twenty-five percent (125%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month). If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. SURRENDER OF PREMISES.

- a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.

b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the reasonable cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

19. DESTRUCTION OR DAMAGE.

a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements, or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days. If Landlord determines that repairs can be completed with ninety (90) days, this Lease shall remain in full force and effect, and the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.

b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty

c. If any other portion of the Building is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration, and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building, or Project as a result of any damage from fire or other casualty.

e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building, or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absent of express agreement, shall have no application.

f. If the Premises are damaged due to casualty during the last twelve (12) months of the Term, either party shall have the right to terminate the Lease.

20. EMINENT DOMAIN.

a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if any portion Premises is taken so that the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial

taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.

- b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment, or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title, and interest in any award, judgment, or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.
- c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expenses for the repair, restoration, and replacement of any other Leasehold improvements and Tenant's Property.

21. INDEMNIFICATION.

- a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity, or other things allowed or suffered by Tenant to be done in, on, or about the Premises; (2) any breach or default by Tenant of any of the Tenant's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees, or contractors. Tenant shall at Tenant's expense and by counsel reasonably satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all reasonable costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding.
- b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees, or customers or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.
- c. Landlord shall indemnify and hold Tenant harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) any work, activity, or other things allowed or suffered by Landlord to be done in, on, or about the Property; (2) any breach or default by Landlord of any of the Landlord's obligations under this Lease; or (3) any negligent or otherwise tortuous act or omission of Landlord, its agents, employees, invitees, or contractors. Landlord shall at Landlord's expense and by counsel reasonable satisfactory to Tenant, defend Tenant in any action or proceeding arising from any such claim and shall indemnify Tenant against all reasonable costs, attorneys' fees, expert witness fees, and any other expenses incurred in such action or proceeding.

22. TENANT'S INSURANCE.

- a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies reasonable acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees, and representatives, which arises or

might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees, or representatives. A certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. No such policy shall be cancelable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy upon request. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a ten percent (10%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee, and Tenant as required by this Lease.

- a. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions, or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise, and other personal property from time to time in, on, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism, and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) above be paid to Landlord, and the proceeds under (ii) above be paid to Tenant.
- b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for, and maintain in effect worker's compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation, or condition of the Premises, and the operations of Tenant in, on, or about the Premises, providing broad form property damage coverage for not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) each occurrence, and property damage liability insurance with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000) each accident.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights or recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or thereafter to be made thereunder. However, before signing any commercially reasonable subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure, or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee, or lessor, as the case may be, and recognize that party as Landlord under this Lease provided such party acquires and accepts the Premises subject to this Lease.

25. TENANT ESTOPPEL CERTIFICATE.

Within ten (10) business days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee, or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has not right of offset, counter-claim, or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building, or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises, Building, Project, or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1 *Tenant's Default.* The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises without payment of rent; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) business days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition, or agreement contained in this lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody, or control of Tenant or any substantial part of its property and such jurisdiction, custody, or control remains in force unrelinquished, unstayed, or unterminated for a period of forty-five (45) days; or

- g. If in any proceeding or action in which Tenant is not a party, a trustee, receiver, agent, or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property

27.2 Remedies. In the event of Tenant's default hereunder, then, in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of subparagraph b and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

If Landlord re-enters the Premises under the provisions of subparagraph b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any repairs to the Premises; fourth, to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting, which is applied against, the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

- (1) *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
- (2) *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (3) *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant provides could be reasonably avoided; plus
- (4) *Tenant Caused Damages.* Any other amount necessary to compensate Landlord for all detriment caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom including, but not limited to, any reasonable costs or expenses (including reasonable attorneys' fees) incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, and (c) reletting the Premises (excluding broker's commissions).

“The worth at the time of the award as used in subparagraphs 1 and 2 above is to be computed by allowing interest at the rate of ten percent (10%) per annum.” The worth at the time of the award as used in subparagraph 3 above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant, or condition of this Lease shall not be deemed a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant, or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord’s knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant, or condition unless Landlord gives Tenant written notice of such waiver.

27.3 *Landlord’s Default.* If Landlord fails to perform any covenant, condition, or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord’s breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord’s right, title, and interest in the Premises, Building, or Project, and no other real, personal, or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord’s expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce, or offset any amount against any payments of Rent or any other charges due and payable under this Lease, except as otherwise specifically provided herein.

28. BROKERAGE FEES.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.c. Each party shall indemnify and hold the other party harmless from any cost, expenses, or liability (including costs of suit and reasonable attorneys’ fees) for any compensation, commission, or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of such party.

29. NOTICES.

All notices, approvals, and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid or by nationally recognized overnight courier, and addressed as follows: (a) if to Landlord, to Landlord’s Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant’s Mailing Address. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state, or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the reasonable interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. Reserved

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

34. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, a pandemic as declared by the World Health Organization, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) after expiration of any applicable notice and cure periods and without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord which consent shall not be unreasonably withheld, conditioned or delayed. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord. Landlord acknowledges that the existing signage in place as of the date of this Lease is approved. Notwithstanding anything to the contrary set forth above, Landlord's consent shall not be required in the event of a change in the name, logo or color of such signage consistent with its corporate standard (provided that the size, location and quantity of existing signage is not altered) or for signs which are required by law or regulation.

37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments:* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed

an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.

- b. *Addenda*: If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees*: If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers*: The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender*: Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.
- f. *Choice of Law*: This Lease shall be construed and enforced in accordance with the laws of the State of California.
- g. *Consent*: Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction in violation of the express terms of this Lease, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.
- h. *Corporate Authority*: If either party is a corporation, each individual signing this Lease on behalf of such party represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation, and that this Lease is binding on such party in accordance with its terms.
- i. *Counterparts*: This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.
- j. *Execution of Lease; No Option*: The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.
- k. *Further Assurances*: The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.
- l. *Prior Agreements; Amendments*: This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

- m. *Recording*: Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a “short form” memorandum of this Lease for recording purposes.
- n. *Severability*: A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.
- o. *Successors and Assigns*: This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
- p. *Time of the Essence*: Time is of the essence of this Lease.
- q. *Waiver*: No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.
- r. *Compliance*: The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.
- s. *No Physician Interest*. Landlord represents and warrants that no physician or physician's family members have an ownership or investment interest in the Premises either directly or indirectly, through debt, equity, or otherwise. Landlord further represents that no physician or physician's family member shall receive or share directly or indirectly in the proceeds of this Lease.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord’s consent to or approval of any act by Tenant requiring Landlord’s consent or approval shall not be deemed to waive or render unnecessary Landlord’s consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date: _____

Date: _____

Landlord: Desert Healthcare District dba: Las Palmas Medical Plaza

Tenant: Laboratory Corporation of America,

By: Chris Christensen

By: Todd R. Benatar

Signature: _____

Signature: _____

Title: Interim-CEO

Title: Vice President

CONSULT YOUR ADVISORS This document has been prepared for approval by your attorney. No representation or recommendation is made as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

DRAFT

EXHIBIT "A"

RULES AND REGULATIONS

1. No sign, placard, pictures, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on doors shall be printed, painted, affixed, or inscribed at the expense of Tenant by a person approved by Landlord outside the Premises; provided, however, that Landlord may furnish and install a Building standard window covering at all exterior windows. Tenant shall not, without prior written consent of Landlord, cause or otherwise sunscreen any window.

2. The sidewalks, halls, passages, exits, entrances, elevators and stairways shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress and egress from their respective Premises.

3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises.

4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of the rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.

5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.

6. No furniture, freight or equipment of any kind shall be brought into the Building without the prior notice to Landlord and all moving of the same into or out of the Building shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Tenant.

7. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substances in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.

8. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for storage of merchandise, for washing clothes, for lodging or for any improper, objectionable, or immoral purposes.

9. Tenant shall not use or keep in the Premises or the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

10. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

11. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m. the following day, access to the Building or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the person or employee of the Building in charge and has a pass or is properly identified. The Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to the Building during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building and the Building.
12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
13. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises without the written consent of the Landlord.
14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
15. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
16. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
17. Landlord shall have the right to control and operate the public portions of the Building, and the public facilities, and heating and air conditioning, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
18. All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be kept closed except for normal ingress and egress from the Premises.

Landlord's Initials

Tenant's Initials

ADDENDUM

Addendum to that certain Office Building Lease dated November 1, 2023 by and between Desert Healthcare District doing business as the Las Palmas Medical Plaza, as Landlord and Laboratory Corporation of America, as Tenant for the property commonly known as Las Palmas Medical Plaza located 555 E. Tachevah Drive, Palm Springs, California 92262.

Page 1

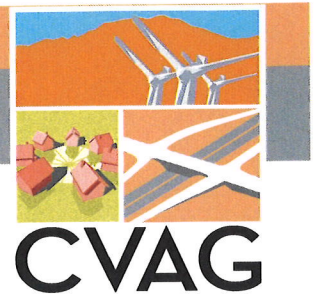
In the event of any inconsistency between the Addendum language and the body of the Lease, the Addendum language shall prevail.

- 1. Commencement Date: November 1, 2023
- 2. Expiration Date: October 31, 2026
- 3. Min. Rent Schedule:

11/1/2023 – 10/31/2024	\$3,872.00	
11/1/2024 – 10/31/2025	\$3,968.80	Minimum of 2.5%, not to exceed 5%
11/1/2025 – 10/31/2026	\$4,068.02	Minimum of 2.5%, not to exceed 5%
- 4. CAMs: Currently \$.80 per square foot.
- 5. Security Deposit: Zero and 00/100 Dollars (\$00.00).

The foregoing is hereby agreed to and accepted:

Date: _____	Date: _____
Landlord: <u>Desert Healthcare District</u>	Tenant: <u>Laboratory Corporation of America</u>
	<u>dba: Las Palmas Medical Plaza</u>
By: <u>Chris Christensen</u>	By: <u>Todd R. Benatar</u>
Signature: _____	Signature: _____
Title: <u>Interim-CEO</u>	Title: <u>Vice-President</u>



Date: October 13, 2023

DHCD Progress Report #2023-3 for reporting period July 1, 2023, to September 30, 2023

Grantee: Coachella Valley Association of Governments (CVAG)

Project Title: CV Link Project

Project Manager/ Contact: Jonathan Hoy, CVAG Director of Transportation (jhoy@cvag.org) or Murray Quance, Transportation Program Specialist – Transportation (mquance@cvag.org)

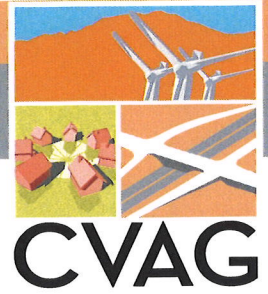
1. Provide a brief summary of the organization and the objectives of the project.

The Coachella Valley Association of Governments (CVAG) is a regional Joint Powers Authority that serves the nine cities, the County of Riverside, and four Indian Tribes within the Coachella Valley. CVAG's jurisdiction stretches across eastern Riverside County, and its membership includes the City of Blythe on the California-Arizona border.

CV Link is an alternative transportation corridor that runs generally along the levee of the Whitewater River that will ultimately stretch from the northwest corner of the CVAG area (Desert Hot Springs) to the southeast corner (the Salton Sea). The core project will generally stretch from the City of Palm Springs to the City of Coachella. The project approved under the Final Environmental Impact Report is more than 40 miles but does not extend through the Cities of Rancho Mirage or Indian Wells. It will provide significant environmental, health, and economic benefits to generations of current and future residents and visitors. CV Link will connect users to employment centers, shopping centers, schools, and recreational opportunities. Dual paths are planned to accommodate bicycles, low-speed electric vehicles and pedestrians. This alternative transportation corridor will enable healthier lifestyles, spur economic innovation, and make the Coachella Valley a more sustainable and appealing place to live, work and play.

2. Summarize work completed during reporting period.

Construction progress continued throughout third quarter in multiple cities along the project route. Construction of an access point near the Golf Center Parkway undercrossing in Indio took place in July. The installation of DG from Fred Waring Dr. to Indio Blvd was completed. Shades structures and accessories were installed at the All-American Canal access point.



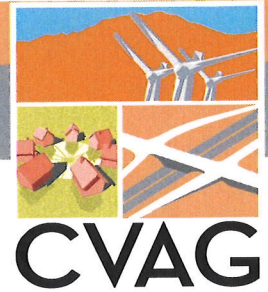
Golf Center Access Point to Golf Center JPCP connector.



Continued DG install from Fred Waring to Indio Blvd



American Channel Access Point accessories installed.



In the City of Palm Desert work focused on pathway work from Cook St. to Magnesia Falls behind the Palm Desert High School. A connector was constructed at the Deep Canyon Junction.

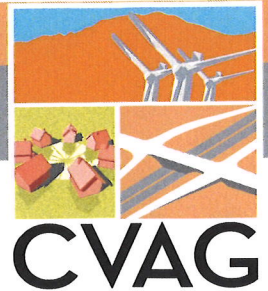


JPCP placement, Palm Desert from Cook St. to Mag. Falls.



Deep Canyon Connector junction.

Overall damage was limited from Tropical Storm Hillary. However, Avenue 44 was washed away, and subgrade damage occurred at Promontory Point in La Quinta.



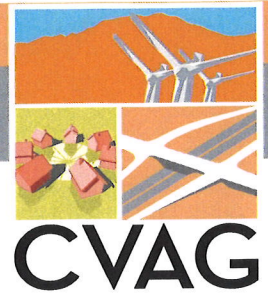
Existing Road at Ave 44 washed away



LQ Promontory Point subgrading damage from tropical storm.

As noted in previous reports, this construction is largely funded by the \$29.447 million in funds from the Active Transportation Program and State Transportation Improvement Program, which the California Transportation Commission (CTC) green lighted in 2020. CVAG is also drawing down its funding commitments, including those from the Desert Healthcare District/ Foundation and South Coast Air Quality Management District. The Congressional Budget Office has estimated that every dollar spent on infrastructure produced an economic benefit of up to \$2.20, and the U.S. Council of Economic Advisers has calculated that \$1 billion of transportation infrastructure investment supports 13,000 jobs for a year. Based on these calculations, the \$52.7 million investment will produce an economic benefit of over \$116 million, and support more than 685 jobs for a year.

CVAG received right of way certification for Segments 3,4 and 5 in September which will lead to another eight miles of CV Link being constructed. Segments 3 and 4 are in north Palm Springs along the levee between the Palm Springs Visitor Center and Vista Chino. Segment 5 is between Indio and Coachella and includes tribal lands. CVAG is currently out to bid with a due date of November 9th.



3. What challenges and opportunities have you encountered in accomplishing this portion of your Scope of Work?

Construction always brings surprises, and CVAG has also been working through unexpected discoveries of unmarked utilities. At the same time, CVAG staff is coordinating CV Link construction with the Coachella Valley Water District and the timing of CVWD projects along the stormwater channel. CVAG expects the approval of the Jefferson Street undercrossing in Q'4 2023.

4. Is your project on schedule?

Progress overall is on schedule. Certain segments have taken longer than expected, including the work in Palm Springs. But CVAG continues to adjust the timing of building various parts of the project, in large part to maximize the time that sub-contractors are deployed on the project. CVAG is also in constant coordination with the Coachella Valley Water District regarding the timing of work along the stormwater channel in La Quinta, Indio, and Coachella. CVAG will continue to work with Caltrans to finalize the final design for Hwy 111 near the Palm Springs Visitors Center.

5. Provide an update on the financial report for the project.

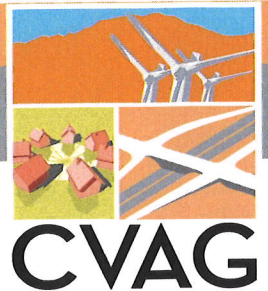
CVAG has funding commitments from an array of sources, which is reflective of the broad support the project has. That includes:

State Active Transportation Program:	\$21,692,000
CVAG Transportation Funds:	\$20,000,000
State Transportation Improvement Program:	\$18,655,000
South Coast Air Quality Mitigation District:	\$19,125,603
Federal Congestion Mitigation and Air Quality:	\$12,600,000
Desert Healthcare District:	\$10,000,000
California Strategic Growth Council:	\$1,000,000
Riverside County Parks:	\$750,000
Bicycle Transportation Account Grant:	\$748,500 (secured w/ Cathedral City)
Caltrans Environmental Justice Grant:	\$291,000 (secured w/ Palm Desert)

6. Work planned for next reporting period:

In the fourth quarter of 2023, CVAG anticipates achieving the following milestones:

- Continue construction along the project route, primarily in the cities of La Quinta and Indio. This includes:
 - Various undercrossings, namely Monroe, Jackson, Miles, Fred Waring, and Golf Center Parkway.
 - Pathway, namely Washington to Adams and Adams to Dune Palms.



- Work with the City of La Quinta on construction of the Dune Palm Bridge project. The City has commenced construction. CVAG will reimburse the City as it builds improvements related to CV Link, which will go under the new bridge.
- Finalize the bid selection for Segments 3,4 and 5 of CV Link construction.

Looking ahead, CVAG anticipates a groundbreaking in the City of Coachella. CVAG will keep the District Board and staff aware of any planned events. CVAG appreciates the continued support of this project. As always, CVAG welcomes input on any of these issues, as your feedback as a participatory partner in the project is important to our progress and the finalization of the right of way and construction of CV Link.

If District staff or Board members have any questions or need additional information about the project, Jonathan Hoy, Transportation Director can best be reached at (760) 238-1540 or at jhoy@cvag.org and Murray Quance, Transportation Program Specialist can be reached at (760) 636-2373 or mquance@cvag.org