



**DESERT HEALTHCARE FOUNDATION
BOARD MEETING
Board of Directors
October 22, 2019
6:30 P.M.**

Immediately Following the Adjournment of the Desert Healthcare District Board Meeting

UC Riverside – Palm Desert
Rooms B114/B117
75080 Frank Sinatra Drive
Palm Desert, CA 92211

This meeting is handicapped-accessible

<i>Page(s)</i>	AGENDA	<i>Item Type</i>
	<i>Any item on the agenda may result in Board Action</i>	
	<p>A. CALL TO ORDER – President Zendle, MD Roll Call ____Director Shorr____Director Borja____Director PerezGil____ Director Rogers, RN____ Director Matthews____ Vice-President/Secretary De Lara____President Zendle</p>	
1-2	<p>B. APPROVAL OF AGENDA</p>	Action
	<p>C. PUBLIC COMMENT At this time, comments from the audience may be made on items <i>not</i> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the Foundation. 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.</p>	
	<p>D. CONSENT AGENDA All Consent Agenda item(s) listed below are considered to be routine by the Board of 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></p>	Action
3-8	<p>1. BOARD MINUTES a. Board of Directors Meeting – October 8, 2019</p>	
9-17	<p>2. FINANCE AND ADMINISTRATION a. Approval of September Financial Statements F&A approved October 8, 2019</p>	



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	E. DESERT HEALTHCARE FOUNDATION CEO REPORT – Conrado E. Bárzaga, MD 1. Behavioral Health Initiative a. EVALCORP Research & Consulting – Mental Health and Behavioral Health Needs Assessment Next Steps	Information
18-19 20-31	F. PROGRAM COMMITTEE 1. Meeting Minutes – October 8, 2019 2. Funding Announcement – Eastern Coachella Valley	Information Action
32-33 34-46	G. FINANCE & ADMINISTRATION COMMITTEE 1. Meeting Minutes – September 10, 2019 2. FY 2019 Audit Report – Moss Levy & Hartzheim	Information Action
47-48	H. OLD BUSINESS 1. Homelessness Initiative Update a. Summer Homeless Survival Fund	Information
	I. NEW BUSINESS	
	J. DIRECTORS' COMMENTS, REPORTS, INFORMATIONAL ITEMS, & STAFF DIRECTION AND GUIDANCE	
	K. ADJOURNMENT	

If you have any disability which would require 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) 323-6110 at least 24 hours prior to the meeting.



**DESERT HEALTHCARE FOUNDATION
BOARD OF DIRECTORS MEETING MINUTES
September 24, 2019**

Directors Present	District Staff Present	Absent
President Les Zendle, MD Vice-President/Secretary Leticia De Lara Treasurer Mark Matthews Director Carole Rogers, RN Director Evett PerezGil Director Karen Borja Director Arthur Shorr	Conrado E. Bárzaga, MD, CEO Chris Christensen, CFO Donna Craig, Senior Program Officer Will Dean, Marketing and Communications Director Alejandro Espinoza, Program Officer and Outreach Director Meghan Kane, Community Health Analyst Vanessa Smith, Health Coordinator Andrea S. Hayles, Clerk of the Board <u>Legal Counsel</u> Jeff Scott	

AGENDA ITEMS	DISCUSSION	ACTION
A. Call to Order Roll Call	President Zendle called the meeting to order at 7:21 p.m. The Clerk of the Board called the roll with all Directors present.	
B. Approval of Agenda	President Zendle asked for a motion to approve the agenda.	#18-24 MOTION WAS MADE by Director Borja seconded by Director Shorr to approve the agenda. Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0 ABSENT – 0
C. Public Comment	Heather Vaikona, CEO, Lift to Rise (LTR), explained that the organization is working to increase housing by 10,000 units and described ways for the District to engage in their	



**DESERT HEALTHCARE FOUNDATION
BOARD OF DIRECTORS MEETING MINUTES
September 24, 2019**

	work. Additionally, LTR has a partnership with USC School of Policy, recently completed its health assessments, and welcomes the District's partnership for alignment.	
D. Consent Agenda 1. Board Minutes a. Board of Directors Meeting – July 23, 2019 2. Finance and Administration a. Approval of June Financial Statements F&A approved September 10, 2019	President Zendle asked for a motion to approve the consent agenda.	#18-25 MOTION WAS MADE by Director Matthews seconded by Director Rogers approve the consent agenda. Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0 ABSENT – 0
E. Desert Healthcare Foundation CEO Report	None	
F. Program Committee 1. Meeting Minutes – September 10, 2019	President Zendle explained that the minutes of the September Program Committee meeting are in the packet for review.	
G. Finance & Administration Committee 1. Meeting Minutes – July 9, 2019	Director Matthews described the minutes of the July F&A Committee meeting.	
H. Behavioral Health Ad Hoc Committee 1. Behavioral Health Initiative a. EVALCORP Research & Consulting – Mental Health and Behavioral Health Needs Assessment Presentation, Kristen Donovan, Ph.D.,	EVALCORP representatives Mindy Friedman, JD, MPH, Research Associate, and Shayla Wilson, MPP, Research Assistant, provided an overview of the goals, service area	

DESERT HEALTHCARE FOUNDATION
BOARD OF DIRECTORS MEETING MINUTES
September 24, 2019

<p>c. Regional Housing Investment Fund</p>	<p>property has been identified in the west.</p> <p>Directors support the navigation center and directed staff to move forward with participation.</p> <p>President Zendle detailed the housing investment fund, inquired if the Board supports the fund, and a role of educating the public on housing and the homeless, and homelessness and health.</p> <p>Christy Holstege, Lift to Rise, explained the regional housing investment fund and Lift to Rise’s role with collaborative action.</p> <p>Vice-President De Lara requested that a member of the Board serve on the committee.</p> <p>Director Borja directed staff to review Barbara Poppe’s report to identify the matters as it relates to the investment fund.</p>	
<p>J. New Business</p> <p>1. Consideration to receive funds for Ready Set Swim (RSS) from the Desert Healthcare District – Grant #1025 - \$200,000</p>	<p>President Zendle described the Ready Set Swim (RSS) grant from the Desert Healthcare District to the Foundation.</p>	<p>#18-26 MOTION WAS MADE by Director Rogers seconded by Director Shorr approve Grant #1025 for Ready Set Swim. Motion passed unanimously. AYES – 7 President Zendle, Vice-President De Lara, Director Matthews, Director Rogers, Director PerezGil, Director Borja, and Director Shorr NOES – 0</p>



**DESERT HEALTHCARE FOUNDATION
BOARD OF DIRECTORS MEETING MINUTES
September 24, 2019**

		ABSENT – 0
<p>K. Directors' Comments, Reports, Informational Items, & Staff Direction and Guidance</p>	<p>President Zendle explained the \$10M allocation and MOU for CV Link approx. 6 years ago. The Program Committee is awaiting the grant contract from CVAG detailing how the monies will be disbursed.</p> <p>Conrado E. Barzaga, MD, CEO, inquired if staff should bring the proposal to the entire Board or the Program and F&A Committees.</p> <p>Director Matthews explained that the District does not have the same funds it had in the past, and \$10M is a huge amount of money. Director Matthews wants the issue resolved and inquired on the importance of a bike trail or the health and wellbeing of individuals in the Coachella Valley.</p> <p>Director Rogers explained that bike and walking paths improve health, and she does not want the District to renege on the commitment.</p> <p>President Zendle recommended that the committees contend with the issue after the Board has discussed the matter.</p>	



**DESERT HEALTHCARE FOUNDATION
BOARD OF DIRECTORS MEETING MINUTES
September 24, 2019**

L. Adjournment	President Zendle adjourned the meeting at 8:19 p.m.	Audio recording available on the website at https://www.dhcd.org/Agendas-and-Documents
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ATTEST: _____
Leticia De Lara, Vice-President/Secretary
Desert Healthcare District Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

DRAFT

DESERT HEALTHCARE FOUNDATION					
SEPTEMBER 2019 FINANCIAL STATEMENTS					
INDEX					
Statement of Operations					
Balance sheet					
Allocation of Restricted Funds					
Deposit Detail					
Check Register					
Credit Card Expenditures					
Schedule of Grants					

Desert Healthcare Foundation
Profit & Loss Budget vs. Actual
 July through September 2019

	MONTH			TOTAL		
	Sep 19	Budget	\$ Over Budget	Jul - Sep 19	Budget	\$ Over Budget
Income						
4000 · Gifts and Contributions	427	-	427	15,052	-	15,052
4003 · Grants	200,000	29,167	170,833	200,000	87,501	112,499
4116 · Bequests - Frederick Lowe	-	5,417	(5,417)	15,882	16,251	(369)
4130 · Misc. Income	-	83	(83)	-	249	(249)
8015 · Investment Interest Income	5,524	8,333	(2,809)	35,401	24,999	10,402
8040 · Restr. Unrealized Gain/(Loss)	52,147	14,583	37,564	119,042	43,749	75,293
Total Income	258,098	57,583	200,515	385,377	172,749	212,628
Expense						
5001 · Accounting Services Expense	661	667	(6)	1,983	2,001	(18)
5035 · Dues & Memberships Expense	-	42	(42)	-	126	(126)
5057 · Investment Fees Expense	2,164	2,500	(336)	11,556	7,500	4,056
5065 · Legal Costs Ongoing Expense	-	83	(83)	-	249	(249)
5101 · DHCD-Exp Alloc Wages& benefits	25,473	27,854	(2,381)	76,419	83,562	(7,143)
5106 · Marketing & Communications	1,021	3,958	(2,937)	1,063	11,874	(10,811)
5110 · Other Expenses	620	417	203	615	1,251	(636)
5115 · Postage & Shipping Expense	-	8	(8)	-	24	(24)
5120 · Professional Fees Expense	-	83	(83)	-	249	(249)
5210 · RSS Jr - Overhead Allocation	(864)	(1,417)	553	(2,574)	(4,251)	1,677
8051 · Major grant expense	201,211	20,833	180,378	214,804	62,499	152,305
8052 · Grant Expense - Collective/Mini	-	27,500	(27,500)	-	82,500	(82,500)
8053 · Grant Expense - RSS Jr	-	5,000	(5,000)	-	15,000	(15,000)
Total Expense Before Social Services Fund	230,286	87,528	142,758	303,867	262,584	41,283
5054 · Social Services Fund	-	3,333	(3,333)	6,000	9,999	(3,999)
Net Income	27,812	(33,278)	61,090	75,510	(99,834)	175,344

Desert Healthcare Foundation Balance Sheet

As of September 30, 2019

			Sep 30, 19
ASSETS			
Current Assets			
Checking/Savings			
100 · CASH			
		146 · Checking - Pacific Premier 6718	727,985
		149 · Money Market - Pacific Premier	1,944
		150 · Petty Cash	200
		151 · Checking - Union Bank 7611	516,514
		155 · Summer Homeless Survival Fund	3,317
Total Checking/Savings			1,249,960
Accounts Receivable			200,000
Other Current Assets			
476-486 · INVESTMENTS			
477 · Morgan Stanley-Investments			
		477.2 · Unrealized Gain/(Loss)	135,964
		477 · Morgan Stanley-Investments - Other	3,930,184
Total 477 · Morgan Stanley-Investments			4,066,148
486 · Merrill Lynch			
		486.1 · Merrill Lynch Unrealized Gain	407,401
		486 · Merrill Lynch - Other	1,676,428
Total 486 · Merrill Lynch			2,083,829
Total 476-486 · INVESTMENTS			6,149,976
500 · CONTRIBUTIONS -RCVB -CRTS			
		515 · Contrib RCVB-Pressler CRT	63,217
		530 · Contrib RCVB-Guerts CRT	126,022
Total 500 · CONTRIBUTIONS -RCVB -CRTS			189,239
601 · Prepaid Payables			5,018
Total Other Current Assets			6,344,233
Total Current Assets			7,794,193
TOTAL ASSETS			7,794,193

Desert Healthcare Foundation
Balance Sheet

As of September 30, 2019

				Sep 30, 19
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
		1000 · Accounts Payable		159
		1052 · Account payable-DHCD Exp Alloc		81,633
		Total Accounts Payable		81,792
Other Current Liabilities				
		2190 · Current - Grants payable		3,082,037
		Total Current Liabilities		3,163,829
Long Term Liabilities				
		2186 · Grants payable		2,260,000
		Total Liabilities		5,423,829
Equity				
		3900 · Retained Earnings		2,294,853
		Net Income		75,511
		Total Equity		2,370,364
TOTAL LIABILITIES & EQUITY				7,794,193

DESERT HEALTHCARE FOUNDATION					
BALANCE SHEET 9/30/19					
ALLOCATION OF MAJOR CATEGORIES/LIABILITIES					
		T/B	GENERAL Fund	Restricted Funds	Trusts
ASSETS					
	146 · Checking Pacific Premier 6718	727,985	727,985		
	149 · Money Market Pacific Premier Bank	1,944	1,944		
	150 · Petty Cash	200	200		
	151 · Checking - Union Bank 7611	516,514	516,514		
	155 · Summer Homeless Survival Fund	3,317		3,317	
	Total 100 · CASH - UNRESTRICTED	1,249,960	1,246,643	3,317	-
	Accounts Receivable				
	321 - Accounts Receivable - Other	200,000	-	200,000	
	Total Accounts Receivable	200,000	-	200,000	-
	477 · Invt-Morgan Stanley				
	477.2 · Unrealized Gain	135,964	135,964		
	477 · Invt-Morgan Stanley	3,930,184		3,930,184	
	Total 477 · Invt-Morgan Stanley	4,066,148	135,964	3,930,184	
6441	486.1 · Merrill Lynch Unrealized Gain	407,401	407,401		
	486 · Merrill Lynch	1,676,428	467,891	1,208,537	
	Total 486 · Merrill Lynch	2,083,829	875,292	1,208,537	
	515 · Contrib RCVB-Pressler CRT	63,217			63,217
	530 · Contrib RCVB-Guerts CRT	126,022			126,022
	601 - Prepaid payables	5,018	5,018		
	Total Current Assets	7,794,193	2,262,917	5,342,037	189,239
	TOTAL ASSETS	7,794,193	2,262,917	5,342,037	189,239
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
	1000 · Accounts Payable	159	159		
	1052 - Account Payable - DHCD - Alloc Expenses	81,633	81,633		
	2190 - Grants Payable - Current Portion	3,082,037		3,082,037	
	Total Current Liabilities	3,163,829	81,792	3,082,037	-
	2186 - Grant Payable - Long Term	2,260,000		2,260,000	
	Total Liabilities	5,423,829	81,792	5,342,037	-
Equity					
	3900 · Retained Earnings	2,294,853	2,105,614		189,239
	Net Income	75,511	75,511		
	Total Equity	2,370,364	2,181,125	-	189,239
	TOTAL LIABILITIES & EQUITY	7,794,193	2,262,917	5,342,037	189,239

Desert Healthcare Foundation
Deposit Detail
September 2019

Type	Date	Name	Account	Amount
Deposit	09/30/2019		155 · Summer Homeless Survival Fund	427
		Misc.	4000 · Gifts and Contributions	(427)
TOTAL				(427)
Deposit	09/30/2019		149 · Money Market - Pacific Premier	1
			8015 · Investment Interest Income	(1)
TOTAL				(1)
			Total - Summer Homeless Survival Fund	427
			Total - Money Market Account	1

Desert Healthcare Foundation
Check Register
As of September 30, 2019

Type	Date	Num	Name	Amount
100 · CASH				
146 · Checking - Pacific Premier 6718				
Bill Pmt -Check	09/04/2019	11040	Meghan Kane-	(45)
Bill Pmt -Check	09/10/2019	11041	Moss, Levy & Hartzheim LLP	(3,500)
Bill Pmt -Check	09/18/2019	11042	EVALCORP	(24,500)
Bill Pmt -Check	09/19/2019	11043	Run With Los Muertos	(1,000)
Bill Pmt -Check	09/26/2019	11044	Cardmember Services	(21)
Total 146 · Checking - Pacific Premier 6718				(29,066)
151 · Checking - Union Bank 7611				
Check	09/25/2019		Service Charge	(157)
Total 151 · Checking - Union Bank 7611				(157)
155 · Summer Homeless Survival Fund				
Bill Pmt -Check	09/04/2019	1004	Word of Life Fellowship Center	(593)
Check	09/04/2019		Canceled Check Fee	(32)
Bill Pmt -Check	09/18/2019	1005	Word of Life Fellowship Center	(1,211)
Total 155 · Summer Homeless Survival Fund				(1,836)
TOTAL				(31,059)

DESERT HEALTHCARE FOUNDATION							
OUTSTANDING GRANTS AND GRANT PAYMENT SCHEDULE							
September 30, 2019							
TWELVE MONTHS ENDED JUNE 30, 2020							
A/C 2190 and A/C 2186-Long term			6/30/2019	New Grants	Total Paid	9/30/2019	
Grant ID Nos.	Name		Open	Current Yr	July-June	Open	
			BALANCE	2019-2020		BALANCE	
	Mayor's Check recorded - \$100K HP		\$ 31,898		\$ 3,789	\$ 28,109	100 HP-cvHIP
	Mayor's Check recorded - \$100K HP		\$ 100,000		\$ -	\$ 100,000	100 HP - cvHIP
BOD - 7/25/17 (#937)	*West Valley Homelessness Initiative - Matching Grant		\$ 1,125,712		\$ 449,182	\$ 676,530	Homelessness
BOD - 9/26/17- RSS	RSS Funds-From Investment Funds for additional 4th year		\$ 53,810		\$ -	\$ 53,810	RSS
TCE Grant 01/31/18	Cal Endowment - Community & Health Policy Analysts 12/1/17- 11/30/18		\$ 64,817		\$ 19,866	\$ 44,952	TCE
BOD - 04/24/18	Behavioral Health Initiative Collective Fund		\$ 1,985,200		\$ 24,500	\$ 1,960,700	Behavioral Health
BOD - 06/26/18 BOD	Avery Trust Funds-Committed to Pulmonary services		\$ 1,000,000		\$ -	\$ 1,000,000	
BOD - 10/23/18 BOD	RSS Grant from Desert Healthcare District		\$ 16,762		\$ 5,076	\$ 11,687	
BOD - 5/28/19 BOD (#993)	Galilee Center - Emergency Services		\$ 41,250		\$ -	\$ 41,250	
BOD - 6/25/19 BOD (#1006)	DHCD - Homelessness Initiative Collective Fund		\$ 1,000,000		\$ -	\$ 1,000,000	
F&A - 06/11/19	\$300k East Valley Grant Funding - \$225k Balance		\$ 225,000		\$ -	\$ 225,000	
BOD - 09/24/19 BOD (#1025)	RSS Grant from Desert Healthcare District			\$ 200,000	\$ -	\$ 200,000	
TOTAL GRANTS			\$ 5,644,450	\$ 200,000	\$ 502,413	\$ 5,342,037	
Summary: As of 9/30/19			\$ 217,292		A/C 2190	\$ 3,082,037	
Health Portal (CVHIP):	\$ 128,109		\$ 200,000		A/C 2186	\$ 2,260,000	
Ready Set Swim	\$ 265,497		\$ 417,292		Total	\$ 5,342,037	
West Valley Homelessness Initiative	\$ 1,676,530		\$ 5,227,158		Diff	\$ -	
Cal Endowment-Analysts	\$ 44,952						
Behavioral Health Initiative Collective Fund	\$ 1,960,700						
Avery Trust - Pulmonary Services	\$ 1,000,000						
Galilee Center - Emergency Services	\$ 41,250						
\$300k East Valley Grant Funding - \$225k Balance	\$ 225,000						
Total	\$ 5,342,037						
* West Valley Homelessness Initiative - COMMITTED FUNDS \$1,980,044 (BALANCE \$1,019,956)							
Amts available/remaining for Grant/Programs - FY 2019-20:			FY20 Grant Budget				
Amount budgeted 2019-2020		\$ 640,000		\$ 250,000			
Amount granted year to date		\$ (200,000)		\$ 390,000			
Mini Grants:							
Net adj - Grants not used:							
Balance available for Grants/Programs		\$ 440,000					



**DESERT HEALTHCARE FOUNDATION
PROGRAM COMMITTEE MEETING
MEETING MINUTES
October 8, 2019**

Directors Present	District Staff Present	Absent
Chair, Carole Rogers, RN – <i>Telephonic</i> Vice-President Leticia De Lara Tom Smith, Community Member Luciano Crespo, Community Member Nicolas Behrman, Community Member Thomas Thetford, Community Member	Conrado E. Bárzaga, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Donna Craig, Chief Program Officer Meghan Kane, Community Health Analyst Andrea S. Hayles, Clerk of the Board	Alejandro Espinoza, Program Officer and Outreach Director Allen Howe, Community Member

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	The meeting was called to order at 1:04 p.m. by Chair Rogers.	
II. Approval of Agenda	Chair Rogers asked for a motion to approve the agenda.	Moved and seconded by Director PerezGil and Chair Rogers to approve the agenda. Motion passed unanimously.
III. Public Comment	None	
IV. New Business 1. Funding Announcement – Eastern Coachella Valley	Meghan Kane, Community Health Analyst, provided a presentation on the funding announcement to the Eastern Coachella Valley that included the background, community listening forums, purpose of the announcement, timeline, eligibility, and the next steps. The LOIs will be accepted on a rolling basis. Dr. Bárzaga answered questions of the committee and community members concerning	Moved and seconded by Vice-President De Lara and community member Thetford to approve the funding announcement – Eastern Coachella Valley. Motion passed unanimously.

DESERT HEALTHCARE FOUNDATION
PROGRAM COMMITTEE MEETING
MEETING MINUTES
October 8, 2019

	<p>the boundaries and agencies eligible to apply.</p> <p>Community member Thetford suggested that in the eligibility section, modifying <i>applicants must directly serve residents east of Cook Street in Palm Desert to serve or plan to serve residents east of Cook Street in Palm Desert.</i></p> <p>Vice President De Lara suggested that the District increase the \$50,000 to encourage collaboration between two or more organizations. Dr. Bárzaga explained that the District will support collaborative relationships for funding.</p> <p>Dr. Bárzaga explained that the Communications and Marketing Director will drive the marketing of the funding announcement.</p>	
<p>V. Adjournment</p>	<p>Chair Rogers adjourned the meeting at 2 p.m.</p>	<p>Audio recording available on the website at http://dhcd.org/Agendas-and-Documents</p>

ATTEST: _____
Carole Rogers, RN, Chair/Director
Program Committee

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: October 22, 2019
To: Board of Directors
Subject: Funding Announcement – Eastern Coachella Valley

Recommendation:

Consideration to recommend release of the Core Operating Support request for proposals.

Background:

- On November 6, 2018, eastern Coachella Valley voters approved extending the District boundaries east of Cook Street, more than doubling the coverage area.
- On February 27, 2018, the Board of Directors voted to allocate \$300,000 per year for 20 years for the Eastern Coachella Valley from District and Foundation funds.
- Six community listening forums were conducted in the East Valley to better understand how the funding should be prioritized based on the community's health needs.
- Across the community listening forums, access to primary care and behavioral health was identified as priority number one.

Information:

- In response to what was expressed by the community, staff developed a funding opportunity announcement.
- The objective of this funding is to improve access to care (accessibility, affordability, availability, or acceptability of healthcare services) and education for East Valley residents by strengthening organizational capacity through core operating support.
- The funding opportunity will follow the same guidelines as the current grant structure with a two-step application process consisting of a letter of interest and a full grant application with required documents.
- Letters of interest will be accepted on a rolling basis until funds are exhausted or the District and Foundation Board of Directors decides to close the request for proposals.
- At the October 8, 2019, Program Committee, the Committee recommended forwarding to the Board for approval.
- The Core Operating Support request for proposal is included for your review and consideration.
- Staff is recommending the release of the Core Operating Support request for proposals.

Fiscal Impact:

\$225,000 remaining grant funding included in FY 18/19 and the \$300,000 grant funding included in the FY 19/20 budget.

Eastern Coachella Valley Funding

Program Committee | October 8, 2019

Background

- February 2018 Board meeting
 - Reviewed potential options to provide funding in the Eastern Coachella Valley
 - After robust discussion and public comment from stakeholders, the Board of Directors voted to allocate \$300,000 per year for 20 years for the Eastern Coachella Valley from Foundation unrestricted funds
- November 2018
 - Voter expansion approved
 - Boundaries now include all of Coachella Valley
 - Conducted listening forums to help answer the question → **How do we allocate funds?**

Community Listening Forums

- February to April 2018, six community listening forums were conducted across the newly expanded District boundaries:
 - Mecca
 - North Shore
 - Indio
 - La Quinta
 - Palm Desert (Sun City)
 - Coachella
- Staff engaged in resident-driven conversations around three of our community focus areas with the goal of better understanding the needs and priorities of Eastern Coachella Valley residents
- Key findings: high need for services and education to improve access to primary care and behavioral health

Current Funds for Eastern CV

- FY 2018/19: \$300,000 allocated for ECV
- FY 2019/20: \$300,000 allocated for ECV
- To date, only \$75,000 has been granted
 - Galilee Center in Mecca
- Funds remaining: \$525,000
- Need to create a simple, transparent, and fair process for organizations, serving Eastern Coachella Valley residents, to access Foundation funding
- This funding announcement is a direct response to the health needs that eastern Coachella Valley residents expressed during the listening forums

Purpose of Request For Proposals

- Release a request for proposals for East Valley non-profits
- Distribute remaining \$525,000 through:
 - Grants not to exceed \$50,000
 - Mini grants available for \$5,000 or less*
- * In accordance to existing District and Foundation Policy
- Focus: core operating support
- Goals:
 - Strengthening the capacity of community partners and organizations in order for them to effectively and efficiently respond to the challenges and barriers faced by the community.
 - Support long-term growth and development to better fulfill the applicant's mission.

Timeline

- Letters of interest (LOI) will be accepted on a rolling basis
- This funding opportunity includes a two-step application process:
 1. Letter of interest
 2. Full grant application with additional documents

Eligibility

- Organizations exempt from federal taxation under Section 501(c) (3) of the Internal Revenue Code or equivalent exemption.
- Audited financials are required (except for mini grants of \$5,000 or less).
- Applicants must directly serve residents east of Cook Street in Palm Desert.
- Applicant's work must address access to care (accessibility, affordability, availability, or acceptability of healthcare services) and education.
- Preference will be given to applicants that are physically located in the newly annexed area of the District and Foundation.
- Preference will be given to organizations that have not previously received funding support from the Desert Healthcare District and Foundation.
- Preference will be given to organizations that can demonstrate and quantify how District funds can be leveraged.

Grant Process (more than \$5,000)

- To apply for a grant, detailed steps to the application and review process are as follows:
 1. Submit a letter of interest form on the Desert Healthcare District and Foundation's website, dhcd.org. If pre-qualified, District staff will contact the applicant for a proposal conference and possible site visit.
 2. Complete and submit the full grant application and required documents. Access to the online grant application will be granted if all pre-qualifications are met.
 3. The full grant application and any documents will be reviewed and scored by staff and then presented to the Desert Healthcare District and Foundation's Program Committee for discussion and recommendations.
 4. Program Committee recommendations will be presented at the Board meeting.

* In accordance to existing District and Foundation Policy

Mini Grant Process (\$5,000 or less)

- To apply for a mini grant, applicants would follow the following steps:
 - Submit a letter of interest.
 - If pre-qualified, District and Foundation staff will provide access to the online mini grant application.
 - The mini grant provides up to \$5,000 per one request in a fiscal year.
 - Mini grants will be processed by the administration of the District and Foundation and approved by the Chief Executive Officer.*

* In accordance to existing District and Foundation Policy

Grant Focus

- Grants awarded through this request for proposal process, will focus on addressing access to care (accessibility, affordability, availability, or acceptability of healthcare services) and education for East Valley residents by strengthening organizational capacity through core operating support.
- Examples of activities eligible for core operating support include:
 - Expanding services that will deepen the organization's work to support their mission and the community need.
 - Exploring new organizational structures resulting in greater organizational efficiencies.
 - Supporting recruitment, training and practices to diversify the organization's staff, leadership and/or board to reflect the community served.
 - Improving office functionality.
 - Leadership development and successful leadership transitions.

Next Steps

Present to the Board of Directors at the October Board meeting. If approved:

- Staff will create a webpage specific to the Foundation grants
- Release RFP with rolling timeline → use as a starting point for guidelines for ECV funds
- Funding announcement broadcasted broadly



DESERT HEALTHCARE FOUNDATION
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
October 8, 2019

Directors Present	District Staff Present	Absent
Chair/Treasurer Mark Matthews Vice-President Leticia De Lara	Conrado E. Bázquez, MD, Chief Executive Officer Chris Christensen, Chief Administration Officer Alejandro Espinoza, Program Officer and Outreach Director Stephen Huyck, Accounting Manager Meghan Kane, Community Health Analyst Andrea S. Hayles, Clerk to the Board	Director Arthur Shorr

AGENDA ITEMS	DISCUSSION	ACTION
I. Call to Order	Chair Matthews called the meeting to order at 4:31 p.m.	
II. Approval of Agenda	Chair Matthews asked for a motion to approve the agenda.	Moved and seconded by Vice-President De Lara and Chair Matthews to approve the agenda. Motion passed unanimously.
III. Public Comment	No public comment.	
IV. Approval of Minutes 1. Minutes – Meeting September 10, 2019	Chair Matthews asked for a motion to approve the minutes of the September 10, 2019 F&A Committee meeting.	Moved and seconded Vice-President De Lara and Chair Matthews to approve the agenda. Motion passed unanimously.
V. CEO Report	No report was provided.	
VI. Financial Reports 1. Financial Statements 2. Deposits 3. Check Register 4. Credit Card Expenditures 5. General Grants Schedule	Chris Christensen, CAO, explained the September financial reports.	Moved and seconded Vice-President De Lara and Chair Matthews to approve the September 2019 Foundation Financial Reports – items 1-5 and forward to the Board for approval. Motion passed unanimously.
VII. Other Matters 1. Craig Hartzheim – Moss Levy & Hartzheim – FY 2019 Audit Report -	The Foundation FY 2019 audit report was presented with the District’s audit report to move forward to the Board for approval.	
VIII. Adjournment	Chair Matthews adjourned the meeting at 4:41 p.m.	Audio recording available on the website at http://dhcd.org/Agendas-and-Documents



**DESERT HEALTHCARE FOUNDATION
FINANCE, ADMINISTRATION, REAL ESTATE AND LEGAL COMMITTEE
MEETING MINUTES
October 8, 2019**

ATTEST: _____
Mark Matthews, Chair/ Treasurer Finance & Administration Committee
Desert Healthcare Foundation Board of Directors

Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board

DRAFT

DESERT HEALTHCARE FOUNDATION
PALM SPRINGS, CALIFORNIA
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
JUNE 30, 2019

DESERT HEALTHCARE FOUNDATION

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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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 Foundation
Palm Springs, California

We have audited the accompanying financial statements of Desert Healthcare Foundation (Foundation), a not-for-profit organization and a component unit of the Desert Healthcare District, which comprise the statement of financial position, as of June 30, 2019 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Desert Healthcare Foundation as of June 30, 2019 and the changes in its net assets, functional expenses, and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2018, the Foundation adopted the Financial Accounting Standards Board (FASB) issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2019, 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 Comparative Summarized Information

We have previously audited the Foundation's 2018 financial statements, and our report dated October 1, 2018 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2018, 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 1, 2019

DESERT HEALTHCARE FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

WITH COMPARATIVE TOTALS FOR JUNE 30, 2018

	Totals	
	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and investments	\$ 945,995	\$ 3,447,997
Grants receivable	1,000,000	1,030,829
Prepaid expenses	3,500	3,540
Accrued interest and dividend receivable	17,732	13,787
	<u>1,967,227</u>	<u>4,496,153</u>
OTHER ASSETS		
Contributions receivable - charitable remainder trusts	189,239	188,929
Investments	5,853,791	2,499,286
Total other assets	<u>6,043,030</u>	<u>2,688,215</u>
TOTAL ASSETS	<u>\$ 8,010,257</u>	<u>\$ 7,184,368</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Current liabilities:		
Accounts payable and accrued payroll	\$ 70,955	\$ 83,980
Grants payable - current	3,384,450	3,621,167
Total current liabilities	<u>3,455,405</u>	<u>3,705,147</u>
Long-term liabilities:		
Grants payable - long-term	2,260,000	1,200,000
Total long-term liabilities	<u>2,260,000</u>	<u>1,200,000</u>
Total liabilities	<u>5,715,405</u>	<u>4,905,147</u>
NET POSITION		
Without donor restrictions	2,096,517	2,090,292
With donor restrictions	198,335	188,929
Total net position	<u>2,294,852</u>	<u>2,279,221</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 8,010,257</u>	<u>\$ 7,184,368</u>

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
REVENUES AND GAINS				
Contributions	\$ 21,652	\$ 9,096	\$ 30,748	\$ 226,403
Grants and bequests	1,266,188	-	1,266,188	5,339,347
Interest and dividends	115,058	-	115,058	65,341
Investment gains (losses)	386,648	-	386,648	(49,499)
Change in value - charitable trusts	-	310	310	3,506
Total revenues and gains	<u>1,789,546</u>	<u>9,406</u>	<u>1,798,952</u>	<u>5,585,098</u>
EXPENSES				
Grants and social services	1,536,658	-	1,536,658	5,314,610
Management and general	246,663	-	246,663	286,762
Total expenses	<u>1,783,321</u>	<u>-</u>	<u>1,783,321</u>	<u>5,601,372</u>
CHANGE IN NET POSITION	6,225	9,406	15,631	(16,274)
NET POSITION, BEGINNING OF FISCAL YEAR	<u>2,090,292</u>	<u>188,929</u>	<u>2,279,221</u>	<u>2,295,495</u>
NET POSITION, END OF FISCAL YEAR	<u>\$ 2,096,517</u>	<u>\$ 198,335</u>	<u>\$ 2,294,852</u>	<u>\$ 2,279,221</u>

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, 2019

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Grants and Services	Management and General	Totals	
			2019	2018
Grants and social services	\$ 1,536,658	\$ -	\$ 1,536,658	\$ 5,314,610
Management and general expenses	-	246,663	246,663	286,762
TOTAL FUNCTIONAL EXPENSES	\$ 1,536,658	\$ 246,663	\$ 1,783,321	\$ 5,601,372

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, 2019

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net position	\$ 15,631	\$ (16,274)
Adjustments to reconcile increase (decrease) in net position to net cash provided by operating activities:		
Unrealized (gains) losses on investments	(386,648)	49,499
Increase (decrease) in operating assets:		
Grants receivable	30,829	(1,016,352)
Other current assets	40	(1,040)
Charitable trusts	(310)	86,723
Accrued interest and dividends	(3,945)	(2,255)
Increase (decrease) in operating liabilities:		
Accounts payable	(13,025)	67,668
Deferred grant income	-	(2,000,000)
Grants payable	823,283	4,403,875
Net cash provided by operating activities	<u>465,855</u>	<u>1,571,844</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment activity	<u>(2,967,857)</u>	<u>(141,410)</u>
Net cash used by investing activities	<u>(2,967,857)</u>	<u>(141,410)</u>
Net increase (decrease) in cash and investments	(2,502,002)	1,430,434
Cash and investments, beginning of fiscal year	<u>3,447,997</u>	<u>2,017,563</u>
Cash and investments, end of fiscal year	<u>\$ 945,995</u>	<u>\$ 3,447,997</u>
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and investments	<u>\$ 945,995</u>	<u>\$ 3,447,997</u>
Total cash and investments	<u>\$ 945,995</u>	<u>\$ 3,447,997</u>

The accompanying notes are an integral part of these financial statements

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

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 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018. In addition, the Foundation is required to present a statement of cash flows and a statement of functional expenses.

Revenue Recognition

Under the provisions of the Guide, net position and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net positions of the Foundation and changes therein are classified as follows:

Net position without donor restrictions: Net position that is 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 position with donor restrictions: Net position 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 position with donor restrictions of \$198,335 at June 30, 2019.

Donated Facilities and Services

The District has provided to the Foundation the use of its office facilities at no charge. For the fiscal year ended June 30, 2019 the District allocated to the Foundation \$212,016 related to personnel charges. The value of the on-site facilities is not reflected in these statements, as they do not meet the criteria for recognition.

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Unconditional contributions are recognized when pledged and recorded as net position without donor restrictions or net position 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 position with donor restrictions are reclassified to net position 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 position 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 for the fiscal years ended June 30, 2018, 2017 and 2016 (IRS) and 2018, 2017, 2016 and 2015 (FTB) are open to audit by the applicable taxing authorities.

Memorandum Totals

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.

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement

On August 18, 2016, Financial Accounting Standards Board (FASB) issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly. See Notes 4, 6, and 7 for further details.

2. 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.

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, 2019, 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, 2019 was \$5,853,791. (See Note 3)

3. CASH AND INVESTMENTS

Demand Deposits

The carrying amounts, at June 30, 2019, of the Foundation's cash deposits were \$810,427 and money market funds were \$135,568. Bank balances were \$810,427 at June 30, 2019. Occasionally, the Foundation's cash balance in banks exceeds the Federal Deposit Insurance Corporation's insurance limits.

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

3. CASH AND INVESTMENTS (CONTINUED)

Investments

At June 30, 2019, investments consisted of the following:

	Cost	Fair Value	Unrealized Gain (Loss)
Corporate bonds	\$ 1,357,323	\$ 1,410,937	\$ 53,614
U.S. Government agencies	408,238	418,965	10,727
U.S. Treasury notes	839,963	867,003	27,040
Mutual funds	1,197,432	1,204,392	6,960
Marketable securities	1,570,080	1,952,494	382,414
Total Investments	<u>\$ 5,373,036</u>	<u>\$ 5,853,791</u>	<u>\$ 480,755</u>

4. 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, 2019.

	2019	2018
Financial assets:		
Cash and investments	\$ 6,799,786	\$ 5,947,283
Grants receivable	1,000,000	1,030,829
Accrued interest and dividend receivable	17,732	13,787
Contributions receivable - CRT	189,239	188,929
Total financial assets	<u>8,006,757</u>	<u>7,180,828</u>
Less financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets (Note 6)	(5,644,450)	(4,821,167)
Interest in charitable remainder trust (Note 5)	(189,239)	(188,929)
Donor-restricted funds (Note 6)	(9,096)	-
Amount available for general expenditures within one year	<u>\$ 2,163,972</u>	<u>\$ 2,170,732</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).

5. SPLIT INTEREST AGREEMENTS

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 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.

DESERT HEALTHCARE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

5. SPLIT INTEREST AGREEMENTS (CONTINUED)

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, 2019 was \$63,217.

6. GRANTS AND SERVICES PAYABLE

Grants and services provided by the Foundation consisted of the following for the fiscal years ended June 30:

	<u>2019</u>	<u>2018</u>
Grant for Health Portal	\$ 131,898	\$ 195,888
Grant for Swim Lessons	70,573	53,904
California Endowment and School District	64,817	189,375
West Valley Homelessness Initiative	2,125,712	1,382,000
Avery Trust - Pulmonary	1,000,000	1,000,000
Behavioral Health Initiative Collective Fund	1,985,200	2,000,000
Galilee Center - Emergency	41,250	-
East Valley Grant Funding	<u>225,000</u>	<u>-</u>
Total Grants Payable	<u>\$ 5,644,450</u>	<u>\$ 4,821,167</u>

7. NET POSITION – WITH DONOR RESTRICTIONS

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Summer Homeless Survival Fund	\$ 9,096	\$ -
Charitable Remainder Trust	<u>126,022</u>	<u>122,540</u>
	<u>135,118</u>	<u>122,540</u>
Subject to the passage of time:		
Charitable Remainder Trust	<u>63,217</u>	<u>66,389</u>
	<u>63,217</u>	<u>66,389</u>
Net Position - with donor restrictions	<u>\$ 198,335</u>	<u>\$ 188,929</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. The District donates funds (\$1,136,000) to the Foundation, to help fulfill their purpose. The District also provides the Foundation with office space and personnel (\$212,016).

9. SUBSEQUENT EVENTS

The Foundation evaluated all potential subsequent events as of October 1, 2019 when the financial statements were authorized and available to be issued. No subsequent events or transactions were identified after June 30, 2019 or as of October 1 2019 that require disclosure to the financial statements.



DESERT HEALTHCARE
DISTRICT & FOUNDATION

Date: October 22, 2019
To: Board of Directors
Subject: Summer Homeless Survival Fund update

Staff Recommendation: Residents and organizations across the Coachella Valley and beyond contribute to the Summer Homeless Survival Fund, created by the Desert Healthcare Foundation on June 14 to support establishing and operating three emergency cooling centers in the western valley. (Information Only).

Background:

- Overnight cooling centers opened July 1 in Cathedral City, Desert Hot Springs and Palm Springs to provide a safe nighttime refuge from the heat and related services for people experiencing homelessness in the western valley. They're the result of a collaborative effort by the Coachella Valley Association of Governments, Riverside County and the three respective cities.
- The cooling centers were expected to remain open through September. They're located in a former boxing facility at 225 S. El Cielo Road in Palm Springs, a fellowship center at 66-290 Estrella in Desert Hot Springs, and a church at 38-088 Chuperosa Lane in Cathedral City.
- The Palm Springs cooling center has been extended to remain open through October.
- A Riverside County grant of \$200,000 — unused HEAP funds — was allocated for the cooling centers.
- Since mid-June, the Foundation's Summer Homeless Survival Fund has accepted public donations in support of the centers, which are staffed by the Coachella Valley Rescue Mission. The donations are made via a PayPal account, www.dhcd.org/homelessfund, and checks mailed or delivered to the Desert Healthcare District and Foundation offices in Palm Springs.
- At its June 25 meeting, the District and Foundation Board of Directors unanimously voted to match donations to the fund up to \$50,000, monies designated from the \$72,137 remaining in the Desert Healthcare Foundation Homelessness Initiative Collective Fund.
- As of October 17, 2019, the fund has received donations totaling **\$19,252.32**. Total with the Foundation match **\$38,504.64**. All donors receive a thank-you and tax-deductible letter from the Foundation.
- Disbursements to date include \$26,000 to Coachella Valley Rescue Mission (CVRM) for supplementing operations of the cooling centers and \$5,329 for utilities of the cooling centers.

- Additional donations
 - President Zendle has created a Facebook donation campaign through October 31. As of October 17, 2019, \$1,580 has been donated.
 - Tenet Health has committed \$5,000 to the Survival Fund. Payment is in process.

Fiscal Impact:

A matching fund of up to \$50,000 was approved at the June 25 Board meeting and is included in the Homelessness Collective Fund.