

THURSDAY, DECEMBER 12, 2024, 1:00 p.m. Meeting

BOARD OF DIRECTORS

PLEASE SEE PAGE 2 FOR MEETING LOCATION

	<u>Time</u>	<u>Page</u>	<u>Target</u>
I. CALL TO ORDER			1:00
II. PUBLIC COMMENTS	15		1:15
<i>5 minutes allowed per speaker, with a cumulative total of 15 minutes per group</i>			
VII. NEW BUSINESS (Out of order due to appointment of new Board members)			
*A. Resolution No. 12.12.24(01)-6 – Acknowledging Selection of the New Board, Ratifying Appointment of the Chairperson and Confirming Election of Officers for the Remainder of Calendar Year 2024 and Calendar Year 2025 <i>Tanya Howell</i>	10	3-6	1:25
VI. PRESENTATION (Out of order due to presenter availability)			
A. Update on Grants & Contracts Inventory (Addendum A – Pp19-22) <i>Aimee Ebner</i>	10	7	1:35
VII. NEW BUSINESS (Out of order due to presenter availability [C&D] & guest presenter [A])			
*D. Ratification of the FY2025 Operating Budget for Palomar Health Development <i>Aimee Ebner</i>	5	8-9	1:40
*E. October 2024 & YTD FY2025 Financial Report (Addendum B – Pp23-30) <i>Aimee Ebner</i>	10	10	1:50
*B. Independent Audit of the Annual Financial Report of Palomar Health Development, Inc., for Fiscal Year End 2024 (Addendum C – Pp31-54) <i>Aldrich CPAs + Advisors LLP</i>			
i. Resolution No. 12.12.24(01)-6 – Authorizing Acceptance of the Independent Audit of the Annual Financial Report of Palomar Health Development, Inc., for Fiscal Year End 2024 as the Annual Report <i>Andrew Tokar</i>	15	11-12	2:05
III. INFORMATION ITEM(S)			
A. NONE			
IV. OLD BUSINESS			
*A. Minutes, Tuesday, December 19, 2023 (Addendum D – Pp55-66) <i>Tanya Howell</i>	2	13	2:07
B. Prior Meeting Follow-ups <i>Tanya Howell</i>	3	14	2:10
V. MINUTES			
*A. Monday, June 21, 2024 (Addendum E – Pp67-73) <i>Tanya Howell</i>	2	15	2:12
VII. NEW BUSINESS (Continued)			
*C. Executed, Budgeted, Routine Physician Agreements (Addendum F – Pp74-78) <i>Andrew Tokar</i>	3	16	2:15
*F. Resolution No. 12.12.24(02)-7 – Setting the Date, Time & Location for the Annual Organizational Meeting for Calendar Year 2025 <i>Tanya Howell</i>	10	17-18	2:25
VIII. BOARD MEMBER COMMENTS/FUTURE AGENDA ITEMS	5	—	2:30
IX. FINAL ADJOURNMENT			2:30

Next Regular Meeting: TBD

Palomar Health Development, Inc., Board of Directors		
Terry Corrales, RN, Chairperson	Vacant, Vice-Chairperson	Linda Greer, RN, Secretary
Andrew Tokar, Treasurer		Diane Hansen, Director

- The Linda Greer Conference Room, 2125 Citracado Parkway, Suite 300, Escondido, CA 92029
 - PHD Board members who are also elected members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below
 - Elected members of the Board of Directors of Palomar Health who are not members of the PHD Board and wish only to observe, non-Board member attendees, and members of the public may also attend at this location
- Join on your computer, mobile app or room device:
 - [Click here to join the meeting](#) | Meeting ID: 268 556 544 026 | Passcode: sDGD8P |

OR

- Dial in using your phone (*audio only*):
 - 929.352.2216 | Phone Conference ID: 222 790 064# |
 - Elected members of the Board of Directors of Palomar Health who are not members of the PHD Board and wish only to observe, non-Board member attendees, and members of the public may attend the meeting virtually utilizing the above options

Resolution No. 12.12.24(01)-6 Acknowledging Selection of the New Board, Ratifying Appointment of the Chairperson and Confirming Election of Officers for the Remainder of Calendar Year 2024 and Calendar Year 2025

TO: Palomar Health Development Board

MEETING DATE: Thursday, December 12, 2024

FROM: Tanya Howell, Corporate Secretary

Background: *Article III, Section 4.03(a) as amended January 27, 2015*, of the Bylaws of Palomar Health Development, Inc. (“Health Development”) requires that the Board’s Annual Meeting be held in January or February, and further states that the Health Development Board shall acknowledge the appointment of the new Board, confirm the election of Board officers and appoint Corporate officers. For good cause, this Annual Meeting was pushed to later in the year.

Article III, Section 3.02 requires that the Board of Directors of Palomar Health select the Chief Executive Officer and Chief Financial Officer of Palomar Health as *ex officio* members, with vote, of the Health Development Board.

Article III, Section 3.03 requires that the Palomar Health Board shall also elect the Directors of the Health Development Board. After the Board meeting held on Monday, December 9th, the Chair of the Board of Palomar Health appointed three Palomar Health Board members to serve as Directors on the Health Development Board. Those members’ names will be provided at the meeting.

When the Chair of the Board of Directors of Palomar Health appointed members to the Health Development Board, one member of the Palomar Health Board was also appointed as Chairperson of Health Development for the remainder of Calendar Year 2024 and Calendar Year 2025. The name of that appointee will be provided at the meeting, and that appointment requires ratification by this Board. The Health Development Board will also need to elect a Vice Chairperson, a Secretary and a Treasurer at this meeting.

Article IV, Section 4.07 requires that the Health Development Board shall organize by the election of officers, with one member elected as Chairperson, one as Vice Chairperson and one as Secretary; and that a Treasurer may also be elected at that time.

The officers elected in June of 2024 were:

- | | |
|---------------------------|-------------------------|
| Terry Corrales, RN | Chairperson |
| Laura Barry | Vice-Chairperson |
| Linda C. Greer, RN | Secretary |
| Andrew Tokar | Treasurer |

Budget Impact: N/A

**Resolution No. 12.12.24(01)-6 Acknowledging Selection of the New Board,
Ratifying Appointment of the Chairperson and Confirming Election of
Officers for the Remainder of Calendar Year 2024 and Calendar Year 2025**

STAFF RECOMMENDATION: Staff recommends that the Health Development Board:

- 1) Acknowledge the selection of the Chief Executive Officer (Diane L. Hansen) and Chief Financial Officer (Andrew Tokar) of Palomar Health as *ex officio* Directors, with vote;
- 2) Acknowledge the selection of *names to be inserted*, as Directors;
- 3) Ratify the appointment of *name to be inserted*, as the Chairperson; and,
- 4) Elect a Vice Chairperson, a Secretary and a Treasurer.

Further, it is recommended that the Health Development Board adopt Resolution No. 12.12.24(01)-6 to memorialize those actions.

Motion:

Individual Action: X

Information

RESOLUTION NO. 12.12.24(01)-6

Acknowledging Selection of the New Board, Ratifying Appointment of the Chairperson and Confirming Election of Officers for the Remainder of Calendar Year 2024 and Calendar Year 2025

WHEREAS, Palomar Health (“the Member”) shall select the Chief Executive Officer and Chief Financial Officer of Palomar Health as *ex officio* members of the Board of Palomar Health Development, Inc., (“Health Development”), pursuant to Section 3.02 of the Health Development Bylaws; and,

WHEREAS, the Directors of Palomar Health Development, Inc. (“Health Development”), shall be selected by Palomar Health (“the Member”), pursuant to Section 3.03 of the Health Development Bylaws; and,

WHEREAS, the Member has duly selected the following to serve as *ex officio* Directors of the Health Development Board, with vote: the Chief Executive Officer and Chief Financial Officer of Palomar Health; and,

WHEREAS, the Member has duly selected the following to serve as the Directors of the Health Development Board: *Board member names to be added*; and,

WHEREAS, the Member has duly appointed the following to serve as the Chairperson: *name to be added*; and,

WHEREAS, the Health Development Board shall elect officers at its annual meeting, pursuant to Section 4.07 of the Health Development Bylaws, said action occurring at this regularly scheduled meeting due to a change in the membership of the Board prior to the date hereof.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Health Development that the selection by the Member of the following slate for the Board of Directors, is hereby acknowledged, and the appointment of the Chairperson is hereby ratified:

- *Insert name*, Chairperson
- *Insert name*, Director
- *Insert name*, Director
- Chief Executive Officer, Palomar Health, *ex officio* Director
- Chief Financial Officer, Palomar Health, *ex officio* Director

IT IS HEREBY FURTHER RESOLVED by the Board of Directors of Health Development that the remaining slate of officers is hereby elected for the remainder of Calendar Year 2024 and Calendar Year 2025:

Insert name

Insert name

Insert name

Insert name

Chairperson

Vice-Chairperson

Secretary

Treasurer

PASSED AND ADOPTED at the meeting of the Board of Directors of Health Development held on December 12, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 12, 2024

APPROVED:

ATTESTED:

Insert name, Chairperson
Board of Directors
Palomar Health Development, Inc.

Insert name, Secretary
Board of Directors
Palomar Health Development, Inc.

**Palomar Health Development, Inc.
Update on Grants**

TO: Palomar Health Development Board

MEETING DATE: Thursday, December, 12, 2024

FROM: Andrew Tokar, Chief Financial Officer

Background: Aimee Ebner will update the Board on grants managed by Health Development (*Addendum A*).

Budget Impact: None.

STAFF RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

**Palomar Health Development
Operating Budget Review for Fiscal Year 2025**

TO: Palomar Health Development Board of Directors

MEETING DATE: Thursday, December 12, 2024

FROM: Aimee Ebner, Financial Services Manager

Background: The FY2025 Operating Budget for Palomar Health Development was approved by the Palomar Health Board of Directors as part of the budgeting process. An overview of the Budget is attached.

Budget Impact: None.

Committee Questions:

STAFF RECOMMENDATION: Staff recommends ratification of the FY2025 Operating Budget for Palomar Health Development as developed by Palomar Health and approved by the Palomar Health Board of Directors.

Motion: X

Individual Action:

Information:

Required Time:

	Budget FY2025
Revenue	376,000
Expenses	71,403
Net Income/Loss From Operations	304,597
Interest Expense	65,158
Net Income/Loss	239,439

**Palomar Health Development, Inc.
Financial Report**

TO: Palomar Health Development Board

MEETING DATE: Thursday, December 12, 2024

FROM: Andrew Tokar, Chief Financial Officer

Background: At each regularly scheduled meeting of the Board of Directors of Health Development, the staff members provide the most recent financial report. Aimee Ebner will review Health Development’s October 2024 and YTD FY2025 Financial Report. The attached report (*Addendum B*) also includes June 2024 financials, which have already been reviewed by the auditors.

Budget Impact: None.

STAFF RECOMMENDATION: Staff recommends approval of Health Development’s October 2024 and YTD FY2025 Financial Report.

Motion: X

Individual Action:

Information:

Required Time:

Palomar Health Development, Inc.
Resolution No. 12.12.24(01)-6
Authorizing Acceptance of the Independent Audit
of Palomar Health Development, Inc., for
Fiscal Year End 2024 as the Annual Report

TO: Palomar Health Development Board of Directors

MEETING DATE: Thursday, December 12, 2024

FROM: Andrew Tokar, Chief Financial Officer

Background: Palomar Health Development, Inc. (“Palomar Health Development”), in accordance with Article VII Section 7.09 of its Bylaws, is required to make available an Annual Report within 120 days after the close of the Corporation’s fiscal year. The Annual Report is to be accompanied by either the accountant’s certification if audited, or the certificate of an authorized officer of the Corporation if unaudited. The Annual Audited Financial Report for Fiscal Year End 2024—which will serve as the Annual Report—has been delayed for good and purposeful reasons.

The Annual Financial Report for Fiscal Year End 2024 (Audited) was prepared by Aldrich CPAs + Advisors, LLC, of San Diego, California (“Aldrich”). The report was presented to the Audit Committee of the Board at its meeting on Monday, November 18, 2024.

The Annual Financial Report for Fiscal Year End 2024 (Audited) is hereby presented to the Board of Palomar Health Development for consideration and acceptance as the Annual Report (*Addendum C*).

Budget Impact: N/A

COMMITTEE RECOMMENDATION: The Audit Committee recommended approval of the Annual Financial Report for Fiscal Year End 2024 (Audited), and adoption of Resolution No. 12.12.24(01)-6 authorizing acceptance of the Independent Audit of Palomar Health Development, Inc., for Fiscal Year End 2024 as the Annual Report will formalize the Board’s approval.

Motion:

Individual Action: X

Information:

Required Time:

RESOLUTION NO. 12.12.24(01)-6

RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR HEALTH DEVELOPMENT, INC.
AUTHORIZING ACCEPTANCE OF THE INDEPENDENT AUDIT
OF THE ANNUAL FINANCIAL REPORT OF
PALOMAR HEALTH DEVELOPMENT, INC., FOR FISCAL YEAR END 2024
AS THE ANNUAL REPORT

WHEREAS, Palomar Health Development, Inc. [**Palomar Health Development**] is required, pursuant to Section 54954 of the California Government Code and Article VII, Section 7.09 of the Amended and Restated Bylaws of Palomar Health Development, to pass a resolution accepting the Annual Report; and,

WHEREAS, no later than one hundred twenty (120) days after the close of the Corporation's fiscal year, the Corporation shall make available to each director an Annual Report in accordance with Section 6321 of the Law, which shall be accompanied by any report of independent accountants or, if there is no such accountant's report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation; and,

WHEREAS, it is understood that the Fiscal Year End 2024 Audit was delayed for good and purposeful reasons and, therefore, not completed within 120 days;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Palomar Health Development that the Annual Financial Report for Fiscal Year End 2024 (Audited) of Palomar Health Development, Inc., a California Nonprofit Public Benefit Corporation, as augmented by the report of independent accountants of Aldrich CPAs + Advisors, LLC, of San Diego, California, as presented to the Board of Directors on December 12, 2024, *and adopted in the form attached hereto*, is hereby accepted as the Annual Report of Palomar Health Development.

PASSED AND ADOPTED at the meeting of the Board of Directors of Palomar Health Development held on December 12, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 12, 2024

APPROVED:

ATTESTED:

Terry Corrales, RN, Chairperson
Board of Directors
Palomar Health Development, Inc.

Linda C. Greer, RN, Secretary
Board of Directors
Palomar Health Development, Inc.

Board Meeting Minutes
Tuesday, December 19, 2023

TO: Palomar Health Development Board

MEETING DATE: Thursday, December 12, 2024

FROM: Tanya Howell, Corporate Secretary

Background: The minutes of the meeting of the Board held on Tuesday, December 19, 2023, are attached for the Board's review (*Addendum D*). These minutes are being presented as "Old Business" as it was discovered after the meeting that Director Hansen had not yet arrived at the June Board meeting when this vote – which included two abstentions – was taken. Therefore, that vote was not carried, and the minutes need to be re-presented.

Budget Impact: N/A

STAFF RECOMMENDATION: Staff recommends approval of the minutes of the meeting of the Board held on Tuesday, December 19, 2023.

Motion: X

Individual Action:

Information:

Required Time:

Board Follow-Ups

TO: Health Development Board

MEETING DATE: Thursday, December 12, 2024

FROM: Tanya Howell, Corporate Secretary

Background: At the Board's request, a list of those items on which follow-up information has been requested is maintained, with items to remain on the list until each matter has been finalized.

6/21/2024

1. Director Hansen was going to review options for having Ms. Brown and/or Ms. Knight report on PHF funding activities at a future PH Board meeting

Budget Impact: N/A

STAFF RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

Board Meeting Minutes
Monday, June 21, 2024

TO: Palomar Health Development Board

MEETING DATE: Thursday, December 12, 2024

FROM: Tanya Howell, Corporate Secretary

Background: The minutes of the Meeting of the Board held on Monday, June 21, 2024, are respectfully submitted for approval (*Addendum E*).

Budget Impact: N/A

STAFF RECOMMENDATION: Approval of the Monday, June 21, 2024, Board Meeting minutes.

Motion: X

Individual Action:

Information:

Required Time:

EXECUTED, BUDGETED, ROUTINE PHYSICIAN AGREEMENTS

TO: Palomar Health Development Board

MEETING DATE: Thursday, December 12, 2024

FROM: Andrew Tokar, Chief Financial Officer

Background: The following Executed, Budgeted, Routine Physician Agreement became effective as noted below:

PHYSICIAN/GROUP	TYPE OF AGREEMENT
July 2023	
<ul style="list-style-type: none">Byron Chow, MD.	<ul style="list-style-type: none">Amendment 13 to the Medical Director Services Agreement for the First 5 First Steps Program
<ul style="list-style-type: none">Byron Chow, MD	<ul style="list-style-type: none">Amendment 10 to the Medical Director Services Agreement for the First 5 Healthy Development Services Program

The standard Form A and Abstract Table for each agreement is included as Addendum F.

Staff Recommendation: Approval

COMMITTEE RECOMMENDATION: Staff recommends approval of the Executed, Budgeted, Routine Physician Agreements as presented.

Motion: X

Individual Action:

Information:

Required Time:

**Resolution No. 12.12.24(02)-7
Setting the Date for the Annual Organizational Meeting
for Calendar Year 2025**

TO: Palomar Health Development Board

MEETING DATE: Thursday, December 12, 2024

FROM: Tanya Howell, Corporate Secretary

Background: The Bylaws of Palomar Health Development, Inc. {*ARTICLE IV, Section 4.03(a), amended January 7, 2015*} require that the Board pass a Resolution stating the date, time and location of the Board’s annual organizational meeting for the following calendar year.

The attached Resolution stating the date and time of the Board’s annual organizational meeting for calendar year 2025, to be held in the Linda Greer Conference Room at the Administrative Offices of Palomar Health, 2125 Citracado Parkway, Suite 300, Escondido, CA, has been drafted. The following date and time is being suggested following a review of Board members’ calendars.

DATE	PURPOSE OF MEETING	LOCATION
FRIDAY JUNE 13, 2025 12:00–2:00 P.M.	Annual Organizational Meeting Fiscal Year 2025	Linda Greer Conference Room 2125 Citracado Parkway, Ste. 300 Escondido, CA

Budget Impact: N/A

STAFF RECOMMENDATION: Staff recommends that the Board set the date and time for the Board’s annual organizational meeting for Calendar Year 2025, and that the Board adopt Resolution No. 12.12.24(02)-7 after it has been amended to reflect the approved date and time.

Motion:

Individual Action: X

Information:

RESOLUTION NO. 12.19.23(02)-7

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PALOMAR HEALTH DEVELOPMENT, INC.
ESTABLISHING THE DATE, TIME AND LOCATION
FOR THE ANNUAL ORGANIZATIONAL MEETING
FOR CALENDAR YEAR 2025**

WHEREAS, Palomar Health Development, Inc. (“Corporation”) is required, pursuant to Section 54954 of the California Government Code and Section 4.03(a) of the Corporation’s Bylaws, to pass a Resolution adopting the date, time and location of the Annual Organizational Meeting for the following calendar year;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Corporation that the Annual Organizational Meeting for Calendar Year 2025 will be held at the date, time and location noted below:

<u>DATE</u>	<u>TIME</u>	<u>LOCATION</u>
FRIDAY JUNE 13, 2025	12:00-2:00 P.M.	Linda Greer Conference Room 2125 Citracado Parkway, Ste. 300 Escondido, CA

PASSED AND ADOPTED at the meeting of the Board of Directors of Corporation held on December 12, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 12, 2024

APPROVED:

ATTESTED:

Terry Corrales, RN, Chairperson
Board of Directors
Palomar Health Development, Inc.

Linda C. Greer, RN, Secretary
Board of Directors
Palomar Health Development, Inc.

ADDENDUM A

Grant Update

December 12, 2024

Current Grants

TITLE	GRANTOR	PURPOSE	AWARDED	FY25 FUNDS REMAINING	BEG/END DATE	UPDATES
Healthy Development Services (HDS)	First 5 Commission	To serve as lead agency for the North Inland Region to provide integrated care and treatment services that address the health, developmental and behavioral needs of children ages birth through 5 years	\$1,851,499 Renewed Annually	\$1,242,048	07/01/24-06/30/25	*\$609,451 invoiced n FY25 (Jul24-Oct24) *\$65,910 overhead received in FY25 *Overhead budget of \$200,199 for FY25
First 5 First Steps	First 5 Commission	To provide a comprehensive, community-based Targeted at Risk Home Visiting project for the North Inland/North Coastal regions using the Healthy Families America (HFA) and Parents As Teachers (PAT) nationally-recognized evidence-based models. Palomar Health leads this project and provides education, resources and support through direct home visiting services, parenting workshops, and special events for children and families.	\$855,174 Renewed Annually	\$601,118	07/01/24-06/30/25	*\$254,056 invoiced in FY25 (Jul24-Oct24) *\$27,148 overhead received in FY25 *Overhead budget is \$89,784 for FY25
CalWORKs Home Visiting Program	County of San Diego HHSA	To provide direct home visiting services to North Inland/North Coastal families who are enrolled in CalWORKs (the California Work Opportunities and Responsibility to Kids program).	\$615,546 Renewed Annually	\$446,555	07/01/24-06/30/25	*\$168,991 invoiced in FY25 (Jul24-Oct24) *\$19,403 overhead received in FY25 *Overhead budget is \$68,347 for FY25

Current Grants

TITLE	GRANTOR	PURPOSE	AWARDED	FY25 FUNDS REMAINING	BEG/END DATE	UPDATES
Victim Services Fund	San Diego County Sheriff's Department	To provide forensic medical exams on an on-call basis for victims in San Diego County.	\$2,785,000 Multi-Year Award	\$128,550	1/1/24 – 12/31/24	*\$126,250 invoiced in FY25 (Jul24-Oct24) *Reimbursement rate of \$1,200 per initial exam for up to 443 exams. \$550 per follow-up exam for up to 114 exams.
In-N-Out Burger Child Abuse Prevention Project	In-N-Out Burger Foundation	To provide funding for SART/Child Abuse Program community education and bilingual interviewing at the center. Funds to be used to provide follow-up with families and children who have been through counseling.	\$87,000 Multi-Year Award \$7K awarded Nov 2024	\$7,000	7/1/24 – 6/30/25	*\$7K was awarded in Nov 2024 *Additional \$14,412 remains from prior year awards

Expired Grants

TITLE	GRANTOR	PURPOSE	AWARDED	FY24 FUNDS REMAINING	BEG/END DATE	UPDATES
Bioterrorism/ Emergency Preparedness	County of San Diego, Health & Human Agency	To enhance San Diego's Emergency Preparedness by utilizing HPP funding to purchase priority equipment and supplies including evacuation equipment, interoperable communications equipment, and surge capacity for pandemic influenza and fatality management.	\$1,625,483 Multi-Year Award July 2005 – June 2019	\$0	5/25/05- 6/30/19	*fund was fully expended in FY24.
Marjorie Mosher Schmidt Foundation - Child Abuse Program	Marjorie Mosher Schmidt Foundation	To provide funds for Nurse education as well as forensic imaging equipment.	\$27,000 Multi-Year Award Dec 2009 – Dec 2012	\$0	12/14/09	*\$244 currently remains in fund *Additional funding is not expected at this time

ADDENDUM B

Financial Performance

Fiscal Year 2024 - June 2024

Fiscal Year 2025 – October 2024

December 12, 2024

Combined Balance Sheet For the Year Ended June 30, 2024

	Palomar Health Development, Inc.	Research Institute	Total
Assets			
Cash			
Cash in Bank - Operating	1,876,013	0	1,876,013
Cash in Bank-Money Market	325,234	0	325,234
Total Cash	2,201,247	0	2,201,247
Receivables			
Accounts Receivable - Customer	4,269	0	4,269
Interfund Receivable	105,283	0	105,283
Total Receivables	109,552	0	109,552
Prepaid Services			
Prepaid Service Contracts	3,582	0	3,582
Total Prepaid Services	3,582	0	3,582
Total Assets	\$ 2,314,381	\$ -	\$ 2,314,381
Liabilities & Fund Balance			
Payables			
Accounts Payable - Customer	9,723	0	9,723
Total Payables	9,723	0	9,723
Note Payable - PPH			
Note Payable - PPH	793,167	872,732	1,665,899
Note Payable - Current Portion	120,000	0	120,000
Note Payable - Debt Discount	(102,328)	0	(102,328)
Total Note Payable - PPH	810,839	872,732	1,683,571
Fund Balance	1,251,700	(872,732)	378,968
Excess Revenue over Expenditures	242,118	0	242,118
Total Liabilities & Fund Balance	\$ 2,314,381	\$ -	\$ 2,314,381

Income Statement

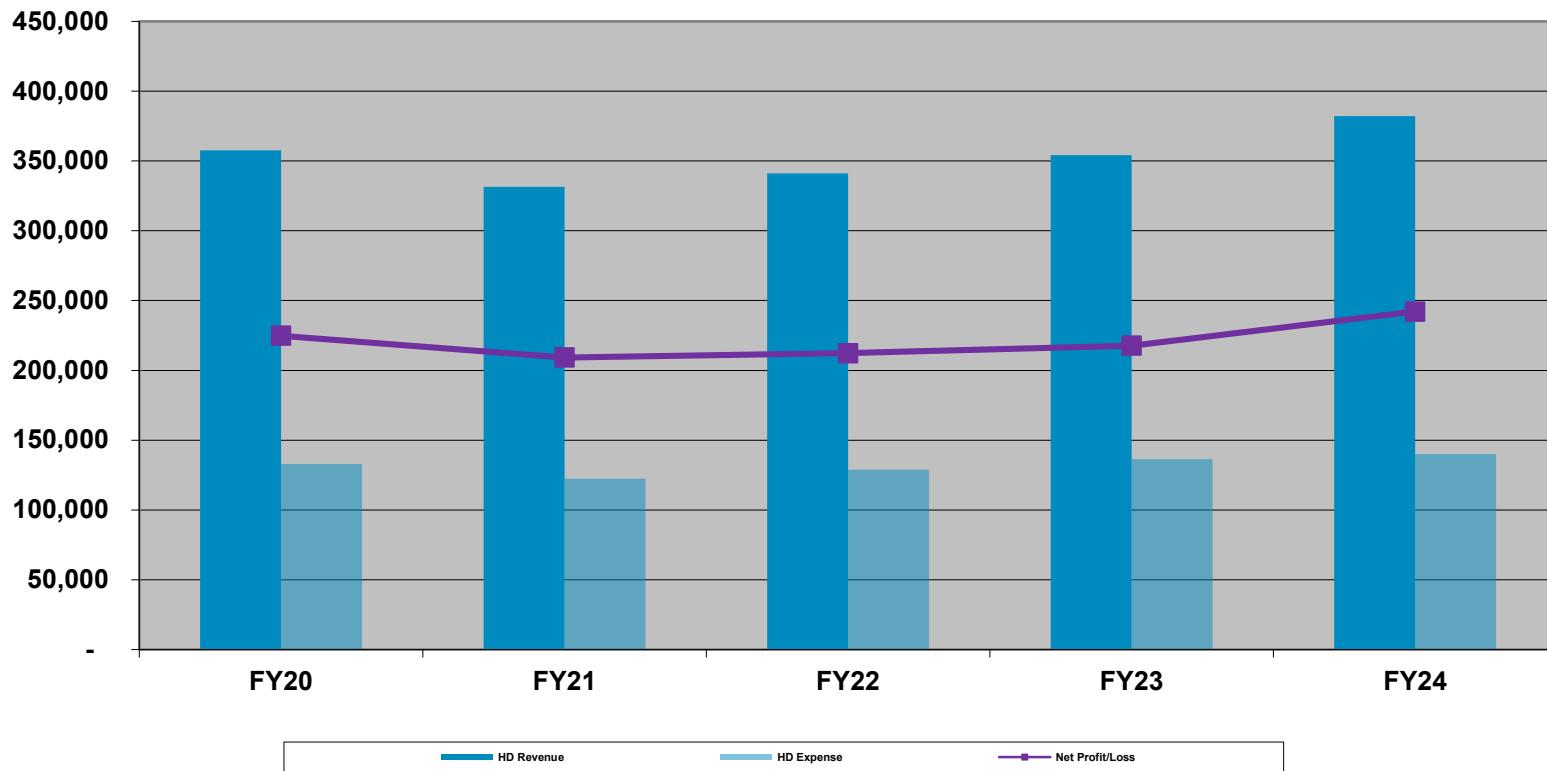
For the Year Ended June 30, 2024

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Budget Variance YTD</u>
Revenue and Support			
Grants and Contracts			
Revenue - Grants/Contracts	359,382	390,000	(30,618)
Revenue - Other	22,818	9,000	13,818
Total Revenue	\$ 382,200	\$ 399,000	\$ (16,800)
Expense			
Accounting Fees	19,800	20,000	200
Consulting Fees	42,000	42,000	0
Supplies Hospitality	339	400	61
Repair & Maintenance	5,139	5,139	(0)
Interest	66,925	66,925	0
Postage	3	0	(3)
Insurance	1,404	1,404	0
License Fees	200	200	0
Other Direct Expense	4,271	20	(4,251)
Total Expenses	\$ 140,082	\$ 136,088	\$ (3,993)
Change in Net Assets	\$ 242,118	\$ 262,912	\$ (20,793)

* No activity for Research Institute during the year ended June 30, 2024

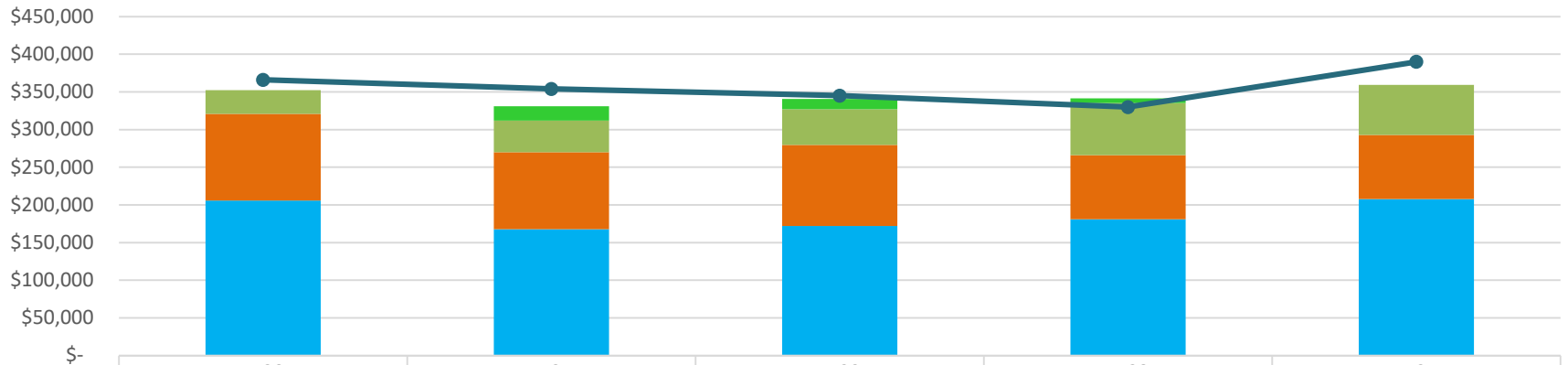
Financial Trend

FY 2020 - FY 2024



Indirect Revenue Sources

FY 2020 – FY 2024



	FY20	FY21	FY22	FY23	FY24
Cal Learn	\$-	\$19,241	\$13,360	\$6,584	\$-
CalWORKs	\$31,356	\$41,948	\$47,498	\$69,138	\$66,604
First 5 First Steps	\$115,144	\$102,165	\$107,675	\$84,948	\$85,119
First 5 - HDS	\$205,692	\$167,833	\$172,058	\$180,997	\$207,658
Budget	\$366,000	\$354,000	\$345,000	\$330,000	\$390,000

Combined Balance Sheet For the Period Ending October 31, 2024

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash		
Cash in Bank - Operating	613,621	1,853,978
Cash in Bank-Money Market	-	312,658
Total Cash	<u>613,621</u>	<u>2,166,636</u>
Receivables		
Interfund Receivable	22,264	36,870
Total Receivables	<u>22,264</u>	<u>36,870</u>
Prepaid Services		
Prepaid Service Contracts	1,791	1,674
Total Prepaid Services	<u>1,791</u>	<u>1,674</u>
Total Assets	<u><u>\$ 637,676</u></u>	<u><u>\$ 2,205,180</u></u>
Liabilities & Fund Balance		
Payables		
Accounts Payable - Customer	18,454	32,000
Total Payables	<u>18,454</u>	<u>32,000</u>
Note Payable - PPH		
Note Payable - PPH	-	1,745,899
Note Payable - Current Portion	-	120,000
Note Payable - Debt Discount	-	(146,752)
Total Note Payable - PPH	<u>-</u>	<u>1,719,147</u>
Accrued Payables		
Accrued Audit Expense	14,453	-
Total Accrued Payables	<u>14,453</u>	<u>-</u>
Fund Balance	621,086	378,968
Excess Revenue over Expenditures	(16,318)	75,064
Total Liabilities & Fund Balance	<u><u>\$ 637,676</u></u>	<u><u>\$ 2,205,180</u></u>

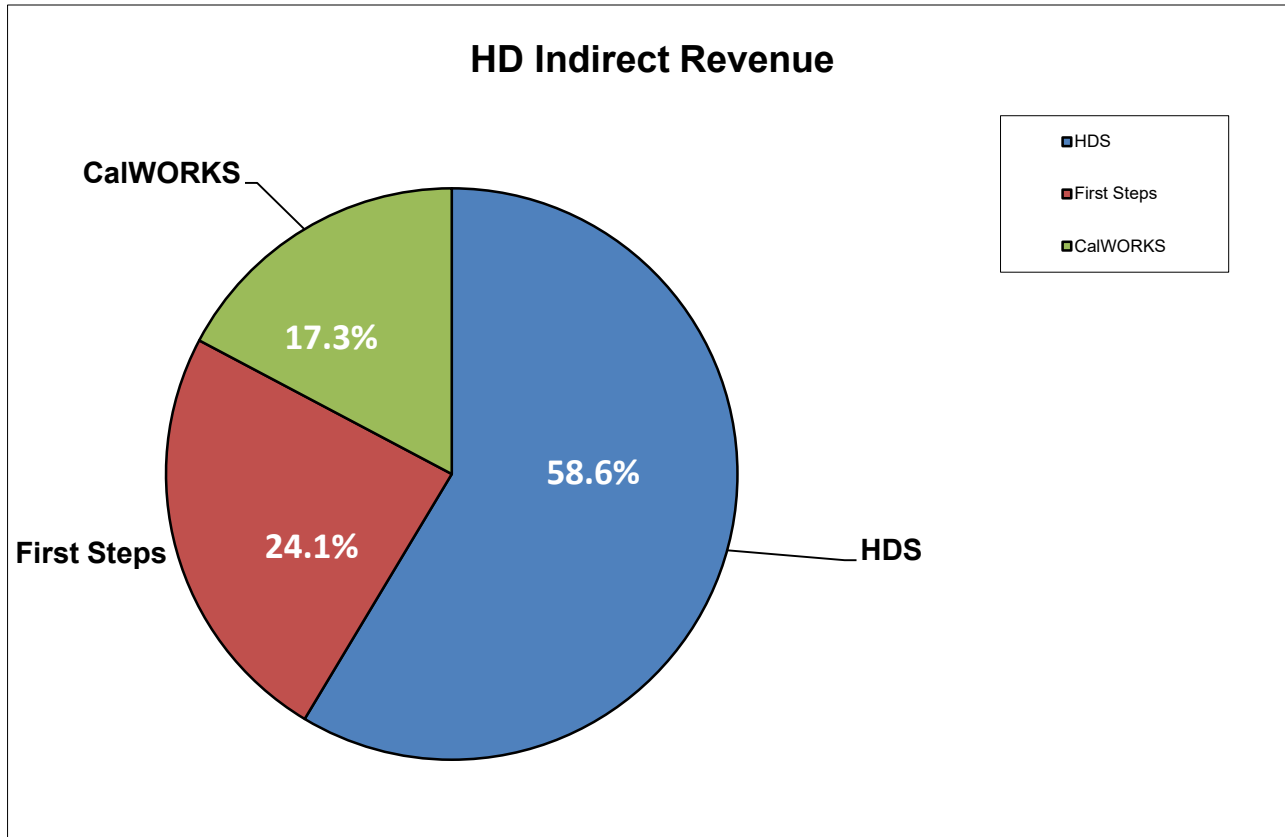
Income Statement

For the Period Ending October 31, 2024

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Budget Variance YTD</u>
Revenue and Support			
Grants and Contracts			
Revenue - Grants/Contracts	112,461	119,333	(6,872)
Revenue - Other	5,201	6,000	(799)
Total Revenue	\$ 117,662	\$ 125,333	\$ (7,671)
Expense			
Accounting Fees	14,453	14,453	0
Consulting Fees	14,000	14,000	0
Supplies Hospitality	0	200	200
Repair & Maintenance	1,791	1,791	0
Interest	102,328	21,919	(80,409)
Insurance	1,404	468	(936)
License Fees	0	67	67
Other Direct Expense	3	7	3
Total Expenses	\$ 133,980	\$ 52,905	\$ (81,075)
Change in Net Assets	\$ (16,318)	\$ 72,429	\$ (88,746)

* No activity for Research Institute during period ending October 31, 2024

October 2024 FYTD Indirect Revenue Sources



ADDENDUM C

Palomar Health Development, Inc.

REPORT TO THE BOARD OF DIRECTORS

Year Ended June 30, 2024



PALOMAR HEALTH DEVELOPMENT, INC.

Report to the Board of Directors

Year Ended June 30,2024

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Communication with those Charged with Governance	3
Management Representation Letter	5

To assist you in your responsibilities as a member of the Board of Directors, this section summarizes the most significant conclusions reached and issues addressed during our audit of Palomar Health Development, Inc. for the year ended June 30, 2024.

SIGNIFICANT CONCLUSIONS AND ISSUES

We have completed our audit and have issued our report dated November 25, 2024. Based on our work performed:

- Our audit scope was in accordance with our engagement letter dated August 12, 2024.
- We rendered an unmodified opinion on the June 30, 2024 financial statements.
- We did not identify conditions which we consider to be material weaknesses in internal controls.
- Audit areas designated as greater than normal risk have been addressed and resolved to our satisfaction, in the context of the overall fairness of the presentation of the financial statements.
- We received the full cooperation of management and staff throughout the audit and were kept informed as to developments and plans affecting our audit scope.

The following report includes required communications and additional information for the benefit of the Board of Directors.

November 25, 2024

To the Board of Directors
Palomar Health Development, Inc.

In planning and performing our audit of the financial statements of Palomar Health Development, Inc. (the Organization) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Directors and management of Palomar Health Development, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Aldrich CPAs + Advisors LLP

Aldrich CPAs + Advisors LLP

November 25, 2024

To the Board of Directors
Palomar Health Development, Inc.

We have audited the financial statements of Palomar Health Development, Inc. (the Organization) as of and for the year ended June 30, 2024, and have issued our report thereon dated November 25, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted 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 to you dated August 12, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant policies used by the Organization are described in Note 1 to the financial statements. The new accounting standard ASC 326, *Financial Instruments - Credit Losses* was adopted by the Organization during the year ended June 30, 2024. The application of other existing policies was not changed during the year. We noted no transactions entered into by the Organization 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 are:

Management's estimate of the collectability of accounts receivable. Management believes all receivables are fully collectible. Therefore, no allowance for credit losses is considered necessary.

Management's estimate of the allocation of functional expenses is based on appropriate assumptions. We evaluated the key factors and assumptions used to develop the assumptions related to the allocation of functional expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are Note 3 and Note 4 to the financial statements.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements identified for the year ended June 30, 2024.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 November 25, 2024. A copy of that letter is included in this report for your reference.

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 Organization's 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 Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Palomar Health Development, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Aldrich CPAs + Advisors LLP

Aldrich CPAs + Advisors

November 25, 2024

Aldrich CPAs + Advisors LLP
5946 Priestly Drive, Ste 200
Carlsbad, CA 92008

This representation letter is provided in connection with your audits of the financial statements of Palomar Health Development, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 12, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.

Administration

2125 Citracado Parkway, Ste. 300, Escondido, CA 92029 | T 760.740.6383 |

www.PalomarHealth.org/palomar-health-development

Palomar Health Development, Inc., is a California Nonprofit Corporation

- b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 16) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.
- 19) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 21) Palomar Health Development, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 22) In regard to the tax services and any other nonattest services performed by you, we have –
- a) Assumed all management responsibilities.
 - b) Designated senior management who has suitable skill, knowledge, or experiences to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.

Palomar Health Development



Andrew Tokar
Chief Financial Officer



Melissa Wallace
VP of Finance for Palomar Health

Management Representation Letter- Palomar Health Development

Final Audit Report

November 26, 2024

Created:	November 26, 2024
By:	Aldrich Advisors(dwashington@aldrichadvisors.com)
Status:	ESigned
Transaction ID:	WFYXR3AWTLUMXGX2GF6YR2CVHD
Documents:	PHD Management Rep Letter FY24 - Tokar Signed.docx.pdf

"Management Representation Letter- Palomar Health Development " History

- 👁 Document emailed to (Melissa.Wallace@palomarhealth.org) for signature
11/25/2024 16:24:13 PM Pacific Standard Time
- 👁 Document viewed by (Melissa.Wallace@palomarhealth.org)
11/25/2024 19:06:50 PM Pacific Standard Time - IP address: 208.56.28.73
- ✍ Document e-signed by (Melissa.Wallace@palomarhealth.org)
Signature Date: 11/25/2024 19:07:18 PM Pacific Standard Time - IP address: 208.56.28.91
- ✅ Document Signed
11/25/2024 19:07:18 PM Pacific Standard Time

Palomar Health Development, Inc.

FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023



PALOMAR HEALTH DEVELOPMENT, INC.

Financial Statements

Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Palomar Health Development, Inc.
Escondido, California

Opinion

We have audited the accompanying financial statements of Palomar Health Development, Inc. (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Palomar Health Development, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Palomar Health Development, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Palomar Health Development, Inc.'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 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

In performing an audit in accordance with generally accepted 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 Palomar Health Development, Inc.'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 Palomar Health Development, Inc.'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.

Aldrich CPAs + Advisors LLP

Carlsbad, California
November 25, 2024

PALOMAR HEALTH DEVELOPMENT, INC.

Statements of Financial Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash	\$ 2,255,488	\$ 2,267,634
Grants receivable	1,131,684	600,886
Prepaid expenses	<u>3,582</u>	<u>3,347</u>
Total Assets	<u>\$ 3,390,754</u>	<u>\$ 2,871,867</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Line of credit - Palomar Health	\$ 1,683,571	\$ 1,736,646
Accounts payable - Palomar Health	1,071,066	706,576
Accounts payable - other	<u>375</u>	<u>2,437</u>
Total Liabilities	2,755,012	2,445,659
Net Assets:		
Without donor restrictions	518,294	241,250
With donor restrictions	<u>117,448</u>	<u>184,958</u>
Total Net Assets	<u>635,742</u>	<u>426,208</u>
Total Liabilities and Net Assets	<u>\$ 3,390,754</u>	<u>\$ 2,871,867</u>

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.**Statement of Activities**

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grant revenue	\$ 3,747,192	\$ 7,000	\$ 3,754,192
Other income	22,818	-	22,818
Net assets released from restrictions:			
Satisfaction of program restrictions	7,585	(7,585)	-
Satisfaction of time restrictions	66,925	(66,925)	-
 Total Revenue and Support	 3,844,520	 (67,510)	 3,777,010
 Expenses:			
Program services	3,068,558	-	3,068,558
General and administrative	498,918	-	498,918
 Total Expenses	 3,567,476	 -	 3,567,476
 Changes in Net Assets	 277,044	 (67,510)	 209,534
 Net Assets, beginning	 241,250	 184,958	 426,208
 Net Assets, ending	 \$ 518,294	 \$ 117,448	 \$ 635,742

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.

Statement of Activities

Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Grant revenue	\$ 3,644,244	\$ 7,000	\$ 3,651,244
Other income	12,527	-	12,527
Net assets released from restrictions:			
Satisfaction of time restrictions	<u>68,636</u>	<u>(68,636)</u>	<u>-</u>
Total Revenue and Support	3,725,407	(61,636)	3,663,771
Expenses:			
Program services	3,008,600	-	3,008,600
General and administrative	<u>477,916</u>	<u>-</u>	<u>477,916</u>
Total Expenses	<u>3,486,516</u>	<u>-</u>	<u>3,486,516</u>
Changes in Net Assets	238,891	(61,636)	177,255
Net Assets, beginning	<u>2,359</u>	<u>246,594</u>	<u>248,953</u>
Net Assets, ending	<u>\$ 241,250</u>	<u>\$ 184,958</u>	<u>\$ 426,208</u>

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.

Statement of Functional Expenses

Year Ended June 30, 2024

	<u>Services</u>	<u>Administrative</u>	<u>Total</u>
Salaries and wages	\$ 1,573,536	\$ 276,446	\$ 1,849,982
Employee benefits	469,961	82,934	552,895
Professional fees	363,500	19,800	383,300
Purchased services	260,601	-	260,601
Building rent	160,160	-	160,160
Interest	-	66,925	66,925
Supplies	47,406	-	47,406
Parent Activities	42,633	-	42,633
Consulting fees	-	42,000	42,000
Incentives	36,505	-	36,505
Training	23,338	-	23,338
Travel	20,944	-	20,944
Emergency needs for clients	18,698	-	18,698
Other	12,571	5,674	18,245
Repairs and maintenance	10,149	5,139	15,288
License fees	12,175	-	12,175
Utilities	8,923	-	8,923
Dues and subscriptions	6,050	-	6,050
Equipment rent	1,408	-	1,408
	<u>\$ 3,068,558</u>	<u>\$ 498,918</u>	<u>\$ 3,567,476</u>

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.

Statement of Functional Expenses

Year Ended June 30, 2023

	<u>Services</u>	<u>Administrative</u>	<u>Total</u>
Salaries and wages	\$ 1,662,418	\$ 262,820	\$ 1,925,238
Employee benefits	447,399	78,846	526,245
Professional fees	297,194	18,525	315,719
Purchased services	256,957	5	256,962
Emergency needs for clients	113,214	-	113,214
Building rent	83,744	-	83,744
Interest	-	68,636	68,636
Parent Activities	43,478	-	43,478
Consulting fees	-	42,000	42,000
Incentives	23,553	-	23,553
Travel	16,137	-	16,137
Supplies	15,493	-	15,493
Training	13,509	-	13,509
License fees	10,769	-	10,769
Utilities	8,972	-	8,972
Other	3,945	2,298	6,243
Dues and subscriptions	5,300	-	5,300
Minor Equipment	4,955	-	4,955
Repairs and maintenance	-	4,786	4,786
Equipment rent	1,563	-	1,563
	<u>\$ 3,008,600</u>	<u>\$ 477,916</u>	<u>\$ 3,486,516</u>

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.**Statements of Cash Flows**

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 209,534	\$ 177,255
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Line of credit discount - Palomar Health	66,925	68,636
Changes in operating assets and liabilities:		
Grants receivable	(530,798)	192,308
Prepaid expenses	(235)	(236)
Accounts payable - Palomar Health	364,490	(49,611)
Accounts payable - other	<u>(2,062)</u>	<u>(533)</u>
Net Cash Provided by Operating Activities	107,854	387,819
Cash Flows Used by Financing Activities:		
Net activity on line of credit - Palomar Health	<u>(120,000)</u>	<u>(120,000)</u>
Net Change in Cash	(12,146)	267,819
Cash, beginning	<u>2,267,634</u>	<u>1,999,815</u>
Cash, ending	\$ <u>2,255,488</u>	\$ <u>2,267,634</u>
Supplemental Disclosures of Noncash Financing Activities:		
Interest relieved from restrictions as contribution	\$ <u>66,925</u>	\$ <u>68,636</u>

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

Palomar Health Development, Inc. (the Organization) is a California charitable nonprofit public benefit corporation organized in January 2005 to support Palomar Health (PH), a California local health care district, by acquiring grant funding.

Use of Estimates

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

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with GAAP, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose allowable under Internal Revenue Code (IRC) sections 501(c)(3) in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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 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 Organization did not have any donor restrictions that were perpetual in nature for the years ended June 30, 2024 and 2023. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Fair Value Measurements

The Organization defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organization applies fair value measurements to assets and liabilities that are required to be recorded at fair value under GAAP. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The carrying value of cash, receivables, and payables approximate fair values as of June 30, 2024 and 2023, due to the relative short maturities of these instruments.

Grants Receivable

Grants receivable arise in the normal course of business. It is the policy of management to review the outstanding receivables at year end, as well as the credit losses experienced in the past, and establish an allowance for credit losses for uncollectible amounts. Management believes all receivables are fully collectible. Therefore, no allowance for credit losses is considered necessary.

Grant Revenue

Grant revenues for the Organization primarily consist of fee-for-service contracts and grants awarded by governmental agencies. Revenue for grants with conditions is recorded when the conditions are met, which is typically when services are performed.

PALOMAR HEALTH DEVELOPMENT, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Revenue Recognition

Contributions

Contributions received are 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. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional Expense Allocations

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses are reported on a reasonable basis that is consistently applied. Indirect expenses are allocated to salaries and benefits to the program they relate to. All other expenses are broken out by accounts and can be directly charged to the appropriate function based upon actual expenses and time and effort.

New Accounting Standard

Effective July 1, 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This update requires the use of a forward-looking expected credit loss model for instruments within its scope, including accounts receivable, and replaces the previous incurred loss impairment model. The expected credit loss model requires management to estimate current expected credit losses over the lifetime of the assets by considering all reasonable and supportable information, including historical experience, current conditions, and reasonable and supportable forecasts affecting collectability. Management has analyzed provisions contained in Topic 326 and determined that there is no impact on net assets as of July 1, 2023, due to the adoption of the new policy.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the IRC and Section 23701(d) of the California Revenue and Taxation Code. The Organization has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the IRC. The Organization may be subject to tax on income which is not related to its exempt purpose. For the years ended June 30, 2024 and 2023, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Organization has considered the tax positions taken in its tax returns and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

Subsequent Events

The Organization has evaluated subsequent events through November 25, 2024, which is the date the financial statements were available to be issued.

Note 2 - Concentrations of Credit Risk

Cash

The Organization maintains cash accounts at various financial institutions. The balances at times may exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each financial institution are insured by the FDIC up to \$250,000.

PALOMAR HEALTH DEVELOPMENT, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 2 - Concentrations of Credit Risk, continued

Grant Revenue

The Organization and the First 5 Commission of San Diego (Commission) entered into an agreement to provide health development services for children birth through five years of age. The contract term is through June 30, 2025. The Healthy Development Services Program, funded by the Commission, provided 52% and 45% of the Organization's grant revenue for the years ended June 30, 2024 and 2023, respectively, and 40% and 62% of the Organization's grants receivable at June 30, 2024 and 2023, respectively.

The Organization and the Commission entered into an agreement to provide targeted home visiting initiative services. The contract term is through June 30, 2025. The First Five First Steps, funded by the Commission, provided 38% and 23% of the Organization's grant revenue for the years ended June 30, 2024 and 2023, respectively, and 52% and 25% of the Organization's grants receivable at June 30, 2024 and 2023, respectively.

The Organization and the San Diego County Sherriff's Department (the Department) entered into an agreement to provide victim services. The contract term is through December 31, 2024. The Victim Services Program, funded by the Department, was 9% of the Organization's grants receivable at June 30, 2024 and 2023.

Note 3 - Liquidity and Availability of Resources

The Organization does not typically receive significant donations of restricted cash or other assets requiring long-term (more than 12 months) management practices. Grants awarded or restricted donations are typically current activities, and such awards are consumed within the current fiscal period for the intended purpose or are received as reimbursements after approved expenditures are documented.

The Organization has a \$3,400,000 credit line from PH to support general operations as needed. Financial statements and cash needs are reviewed periodically by the Organization's board of directors and (if necessary) draw requests are reviewed for approval. At June 30, 2024, the available credit limit on the line of credit is approximately \$1,700,000. The Organization made payments of \$120,000 on the credit line during the fiscal year, net of reimbursements to PH for program expenses initially funded by PH.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Cash	\$ 2,255,488	\$ 2,267,634
Grants receivable	<u>1,131,684</u>	<u>600,886</u>
Total financial assets	3,387,172	2,868,520
Less amounts restricted by donor with purpose restrictions	<u>(15,121)</u>	<u>(15,706)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,372,051</u>	<u>\$ 2,852,814</u>

PALOMAR HEALTH DEVELOPMENT, INC.

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 4 - Net Assets

Net assets with donor restrictions are available for the following purposes at June 30:

	2024	2023
Interest on note payable to PH	\$ 102,327	\$ 169,252
Child Sexual Abuse Program	14,877	14,877
Sexual Assault Response Team Staff Ed.	244	829
	\$ 117,448	\$ 184,958

Net assets were released from donor restrictions by incurring expenses to satisfy program restriction or passage of time. For the years ended June 30, 2024 and 2023, interest on the note payable to PH of \$66,925 and \$68,636 were released from donor restrictions, respectively.

Note 5 - Related Party Transactions

Financial and Accounting Services Agreement

The Organization has a financial and accounting service agreement with PH. Under the agreement, PH provides managerial, administrative, financial, and accounting services to the Organization. The value of services provided by PH is reimbursed by the Organization and included in accounts payable. The reimbursed expenses included all payroll services as well as other expenses. The amount of expenses reimbursed by the Organization to PH during the years then ended June 30, 2024 and 2023, were \$3,629,313 and \$3,516,254, respectively. At June 30, 2024 and 2023, the amount due to PH was \$1,071,066 and \$706,576, respectively.

Note Payable and Line of Credit

The Organization has a note payable from PH that expires on January 25, 2026. The line of credit is interest-free, 60 payments of \$10,000 are due monthly, and a balloon payment is due on January 24, 2026. At June 30, 2024 and 2023, the amount due to PH related to this agreement was \$1,683,571 and \$1,736,646, respectively. The Organization recorded a contribution and a discount for the imputed interest using the rate of 3.28% (line of credit rate at expiration). Imputed interest expense of \$66,925 and \$68,636 is reported in the statements of activities for the years ended June 30, 2024 and 2023, respectively. The unamortized discount for this agreement was \$102,327 and \$169,252, for the years ended June 30, 2024 and 2023, respectively.

The line of credit is secured by substantially all the Organization's assets.

Note 6 - Operating Lease

The Organization reimburses PH for building space related to the First 5 program. There is no formal lease agreement, and the activity is structured on a month-to-month basis. Rent expense was \$160,160 and \$83,744 for the years ended June 30, 2024 and 2023, respectively.

Note 7 - Subsequent Event

During October 2024, the Organization fully paid off the line of credit.

ADDENDUM D

Meeting Minutes

ATTENDANCE ROSTER		
MEMBERS	MEETING DATE	
	6/12/2023	12/19/2023
Terry Corrales, RN, Chairperson	P	P
Laurie Edwards-Tate, MS, Vice-Chairperson	P	P
Linda Greer, RN, Secretary	V	P
Diane L. Hansen	E	P
Hugh King, Treasurer	P	V
Staff Attendee		
Tanya Howell Board Assistant/Corporate Secretary	P	P
Guest Presenters¹		

V = Virtual P = Present E = Excused

¹ See text of minutes for names of invited guests/presenters

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

• DISCUSSION

CONCLUSIONS/ACTIONS

**FOLLOW-UP/
RESP PARTY**

I. CALL TO ORDER

- Chairperson Terry Corrales called the meeting to order at 12:33 p.m.
- Quorum comprised of Directors Corrales, Edwards-Tate, Greer, Hansen & King
- **Notice of Meeting** and **Full Agenda Packet** were posted at Palomar Health’s (PH) Administrative Offices and on the Palomar Health Development, Inc. (PHD) home page on the PH website on Wednesday, December 13, 2023, which is consistent with legal requirements. Notice of that posting was also made that date via email to the PHD Board and staff members.

II. PUBLIC COMMENTS

- There were no public comments

VI. PRESENTATION (*Out of order due to presenter availability*)

A. Update on Grants & Contract Inventory

Information only

- Utilizing the presentation included as Addendum A, Aimee Ebner, Financial Services Manager, presented the update
- CURRENT GRANTS (*PAGE 25*)
 - o For each current grant, Ms. Ebner named the purpose of the grant, the amount awarded, the funds remaining in FY24, and the term of the grant, as well as updates on amounts invoiced, overhead amounts received, and budgeted overhead amounts, all as listed in the presentation materials in the packet (*other comments listed below*)
 - o The first 3 programs were funded by the First 5 Commission of San Diego
 - The Healthy Development Services (HDS) award included a rollover from FY23 of just over \$252K
 - The First Steps home visiting program award included a rollover from FY23 of \$35.3K
 - The CalWORKs Home Visiting Program was similar to First Steps, but targeted a specific group of the population – people were enrolled in the CalWORKs program
 - Cindy Linder, the Regional Coordinator for HDS North Inland, and Shirin Strauss, Program Director for First Steps, will be providing presentations related to the First 5 programs at the next meeting
 - o The Victim Services Fund received an increase in the reimbursement rate for forensic exams
 - o In-N-Out Burger renewed the award for services at Camp Hope for the child abuse program

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
<ul style="list-style-type: none"> • EXPIRED GRANTS (PAGE 27) <ul style="list-style-type: none"> o The Bioterrorism grant expired in 2019, but the \$32K remaining in the funds will be enough to fund the Everbridge Mass Notification System for one more year o The Marjorie Mosher Schmidt award for forensic health education for nurses had \$829 remaining o The Green Oaks Ranch award through New Alternatives was terminated on June 30th, as the County of San Diego had opted not to renew their grant to New Alternatives after that date, but she didn't know if the County had made any further plans related to continued provision of the services with another/other providers <ul style="list-style-type: none"> – In response to inquiries about the County's decision regarding Green Oaks Ranch, Michelle Shores, Director of Forensic Health & Trauma Recovery, stated that there had been changes both in strategic planning by the County and laws related to how services could be provided, and the County had to make decisions regarding allocation of funds available <ol style="list-style-type: none"> 1) She added that there was never an issue with the services provided, and the team had been working with childcare services for ways that would allow child welfare to more robustly utilize the services at One Safe Place 		

VII. NEW BUSINESS (Out of order due to presenter availability/guest speaker)

<p>C. Ratification of the FY2024 Operating Budget for Palomar Health Development</p>	<p>MOTION: By Director Greer seconded by Director Edwards-Tate and carried to ratify the FY2024 Operating Budget for Palomar Health Development</p> <p>Carried by the following vote, taken by roll call: Chairperson Corrales – aye; Director Edwards-Tate – aye; Director Greer – aye; Director Hansen – aye; Director King – aye; Absent:</p>	
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<ul style="list-style-type: none"> • Referencing the table on page 5, Ms. Ebner reviewed the budget, which had been approved by the Palomar Health Board and required ratification by this body <ul style="list-style-type: none"> o Revenue of \$399K would primarily be generated by indirect revenues from the First 5 grants <ul style="list-style-type: none"> – There was also about \$9K in revenue budgeted, based on the prior year's investment income performance o Expenses consisted of audit and tax prep fees, the \$3,500/month management fee paid to Palomar Health, the maintenance and support for the accounting system, as well as smaller expenses for licensing, renewals, and the filing of 1099s o Imputed interest expense was \$66.9K o Net income was anticipated to be \$262,912
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BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
<p>D. Fiscal Year-End June 30, 2023, and October 2023 & YTD FY2024 Financial Reports</p>	<p>MOTION: By Director Hansen, seconded by Director Greer and carried to approve the Fiscal Year-End June 30, 2023; and October 2023 & YTD FY2024 Financial Reports as presented.</p> <p>Carried by the following vote, taken by roll call: Chairperson Corrales – aye; Director Edwards-Tate – aye; Director Greer – aye; Director Hansen – aye; Director King – aye; Absent:</p>	<ul style="list-style-type: none"> • Director Hansen agreed to take Director Edwards-Tate’s inquiry about pursuing more funding for safety net programs through the Foundation for further discussion in a different venue
<ul style="list-style-type: none"> • Utilizing the presentation included as Addendum B, Ms. Ebner presented the financial reports for FYE June 30, 2023, and through October 2023 • BALANCE SHEET AT 6.30.2023 (PAGE 29) <ul style="list-style-type: none"> o Total Assets were at \$2.1M, with Total Liabilities and Fund Balance in the same amount • INCOME STATEMENT AT 6.30.2023 (PAGE 30) <ul style="list-style-type: none"> o Revenue was favorable by \$24K due to increased funding from HDS and higher performance by the money market dividends (indirect of \$12K and money market of \$12.5K) o Expense was higher than budgeted, at \$136K vs. a \$129K budget, making it unfavorable by just under \$7K <ul style="list-style-type: none"> – The variance was mainly due to having budgeted for audit based on prior year, and the actual was slightly higher this year – The MSA with Palomar Health had also been updated to pay an additional \$500/month, causing a \$6K variance as the budget had been submitted before that amendment was approved • FINANCIAL TREND (PAGE 31) <ul style="list-style-type: none"> o The trend covers 5 years from FY2019-FY2023 <ul style="list-style-type: none"> – The tiny orange line in FY2019 was for the Research Institute, which was still active during that FY o Revenues tended to hover around \$330K-\$340K/year o Net Profit was around \$220K/\$230K for FY2023 • INDIRECT REVENUE SOURCES (PAGE 32) <ul style="list-style-type: none"> o Blue represented HDS, which made up about 53% of the Indirect Revenues in FY23 o Orange represented First Steps, which made up the second largest amount of about 25% in FY23 		

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
<ul style="list-style-type: none"> o Lime represented CalWORKs, which made up 20% of the Indirect Revenues in FY23 o Bright green represented CalLEARN which made up 2% of the Indirect Revenues in FY23 <ul style="list-style-type: none"> – This program ended last year but garnered additional revenues over the last two years • BALANCE SHEET AT OCTOBER 31, 2023 (PAGE 33) <ul style="list-style-type: none"> o There were \$2.2M in Assets and Liabilities • INCOME STATEMENT AT OCTOBER 31, 2023 (PAGE 34) <ul style="list-style-type: none"> o Revenue was shy of the targeted budget, with the shortfall mainly due to timing; and when salaries were very high, the Revenue to reimburse tended to be lower <ul style="list-style-type: none"> – There was also a lot PTO being used in November, with more anticipated in December, but that was expected to balance out in January/February o Expenses were favorable by \$2,386, partly because the accounting fees were budgeted over 12 months, with total invoices of \$5K vs. the budget of \$6,667 o Insurance had also been spread out over 12 months, and that expense was not yet posted o Overall actual Change in Net Assets was \$75K, a budget variance of \$12K through October 31st • SOURCES OF INDIRECT REVENUE (PAGE 35) <ul style="list-style-type: none"> o The pie chart was just another example of revenue sources, with HDS again making up just over half, followed by First Steps with 24% and CalWORKs with 19% o Ms. Ebner added that the difference between these numbers and those that are reported in the audited financials was that these numbers represent unrestricted funds that are available for use by Palomar Health Development; and the temporarily restricted funds that are restricted to use by the grant programs will be included in the audit results • In response to an inquiry by Director Greer related to the \$68K in Interest listed on the Income Statement on Page 30, Ms. Ebner explained that the interest was for the Line of Credit (LoC) that had been established with Palomar Health many years ago when PHD was first founded <ul style="list-style-type: none"> o That LoC agreement had been amended to make it a 0% interest loan, however, accounting rules require that an imputed interest rate be imposed based on what the rate was at the time it was changed to 0% <ul style="list-style-type: none"> – Ms. Ebner then asked auditor Andy Maffia if he could more fully explain the imputed interest accounting – Mr. Maffia stated that it was simply an accounting exercise, and the company was not actually paying interest 		

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
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1) Under Generally Accepted Accounting Principles (GAAP), if you have a loan with interest that is below market (which 0% would be), a portion of the amount being repaid must be claimed as interest (e.g., if \$1M was borrowed, to be paid over 5 years, a portion of that—say \$100K—should be listed in the accounts as an interest expense, even though all that is being repaid is the principle amount of \$1M)

- Following a question from Director Edwards-Tate related to the possibility of the Foundation being able to obtain more funding to fill the gaps for the safety net programs, Director Hansen pointed out that most of the funding from the Foundation came from donors for specific services or equipment needs for the health system, so the programs ultimately had separate goals; however, Director Hansen agreed to take the question back for discussion

A. Independent Audit of the Annual Financial Report of Palomar Health Development, Inc., for Fiscal Year End 2023

i. Resolution No. 12.19.23(01)-6 – Authorizing Acceptance of the Independent Audit of the Annual Financial Statements of Palomar Health Development, Inc., for Fiscal Year End 2023 as the Annual Report

MOTION: By Director Greer, seconded by Director Edwards-Tate to approve Resolution No. 12.19.23(01)-6 – Authorizing Acceptance of the Independent Audit of the Annual Financial Statements of Palomar Health Development, Inc., for Fiscal Year End 2023 as the Annual Report.

Carried by the following vote, taken by roll call: Chairperson Corrales – aye; Director Edwards-Tate – aye; Director Greer – aye; Director Hansen – aye; Director King – aye; Absent:

- Andy Maffia, Partner at Aldrich CPAs + Advisors LLP, thanked the Board for having him join the meeting, noting that it was always good as an auditor to present to the Board when bearing good news
- He and his team had performed and prepared the audit and the audit report, which had been presented to PHD Audit Committee in detail a few weeks ago; therefore, his presentation at this meeting would be to walk through the overall audit results at a high level to ensure all Board members were aware of the audit results and to answer any questions, which he asked the Board to ask as they arose
- EXECUTIVE SUMMARY (P39)
 - o The summary states the significant takeaway points for the audit process, which was conducted based on an engagement letter that outlined what PHD’s responsibilities and the responsibilities of the auditors would be
 - o The team performed enough procedures to complete the terms of the engagement letter and, although it might seem obvious that they had completed the tasks that they had been asked to do, the final outcome was to provide an opinion regarding the overall outcome of the audit

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
<ul style="list-style-type: none"> – Mr. Maffia’s team had gone through all of the procedures with no issues, having tested enough transactions to be able to render an unmodified opinion, which was the highest level of assurance that could be provided; and he offered his congratulations to the organization o Another part of the process the auditors followed was to ensure that they had a good understanding of how information flowed throughout the organization, which was done by reviewing the internal controls, a system of checks and balances that could help prevent errors/fraud from occurring <ul style="list-style-type: none"> – One of the most common internal controls would be a segregation of duties, wherein there was not just one person involved in all aspects of a single transaction, rather, there was one person initiating the transaction, with someone else reviewing it for accuracy <ol style="list-style-type: none"> 1) With at least 2 people involved, that second set of eyes would help to cut down on errors – Although the auditors would not express an opinion regarding the organization’s internal controls, they would report to the Board any deficiencies that had been found; however, there were not any deficiencies or material weaknesses identified during this audit o The overall audit approach wasn’t a 100% absolute audit, rather was conducted like all audits, by taking a risk-based approach, focusing on the areas most significant to the organization as well as to a reader of the financial statements, not by looking at every single transaction <ul style="list-style-type: none"> – The audit would be attached to the organization’s financial statements so that anyone who wanted to review the financials before determining whether they wanted to donate would also have that information o The auditors did receive the full cooperation of management, which primarily consisted of Ms. Ebner <ul style="list-style-type: none"> – A lot of questions were asked, there were numerous requests for documentation and support, in order to ensure an understanding of what transactions occurred o Mr. Maffia stated that he had the privilege of presenting the results, which were arrived at due to hard work of the PHD team, and he appreciated the professionalism that accompanied the audit process this year • In response to a request that Mr. Maffia made some closing remarks regarding the bottom line of PHD, Mr. Maffia responded the opinion provided by the auditors was over the fair presentation of the financial statements, not over the financial health nor how well the organization was doing; however, he noted that he did sit on several not-for-profit boards, and had been our auditor for several years, so offered an historical overview <ul style="list-style-type: none"> o Going back several years, the net asset position of the organization was negative, but in 2022 it was a \$248,953, which had increased to \$426,208 in 2023, showing a trend in the right direction o Referencing Page 55, Mr. Maffia also noted that the organization has generated positive cash flows from core operations, another indicator of good financial health 		

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
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III. INFORMATION ITEMS

A. First 5 Commission of San Diego Fiscal Reviews for Contract No. 546245 (HDS-North Inland) – March & October 2023	<i>Information only</i>	
B. First 5 Commission of San Diego Fiscal Reviews for Contract No. 545639 (First Steps-North Region – February & October 2023	<i>Information only</i>	

- Items III.A. & III.B. were discussed simultaneously
- Mrs. Howell stated that the First Five San Diego Commission audited the programs for which they provide funding each year in order to ensure that the programs were performing in accordance with the terms of their grants
 - The documents on pages 10-11 and 12-13 of the packet represent the findings that resulted from the First Five audits for Healthy Development Services and First Steps, respectively, for Calendar Year 2023; and they were being presented as information for the Board’s review

IV. OLD BUSINESS

A. April 2023 & YTD FY2023 Financial Report	<p>MOTION: By Director Greer, seconded by Director Edwards-Tate and carried to approve the April 2023 & YTD FY2023 Financial Report as presented</p> <p>Carried by the following vote, taken by roll call: Chairperson Corrales – aye; Director Edwards-Tate – aye; Director Greer – aye; Director Hansen – aye; Director King – aye; Absent:</p>	
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- Referencing Addendum D (page 60) Mrs. Howell informed the Board that she had discovered while finalizing the minutes from the June 2023 Board meeting that the referenced financial statements had been thoroughly reviewed, but that no vote to approve them had been taken
 - After consultation with Kevin DeBruin, Chief Legal Officer, she was authorized to add a vote on that set of financials to the “Old Business” section for today’s meeting so that the appropriate action could be taken

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
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B. Prior Meeting Follow-ups	<i>Information only</i>	
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- At the December 2022 meeting, a request had been made that information related to the Forensic Health Services programs be presented to the Palomar Health Board
 - Ms. Shores responded that she had recently presented the information to the Community Relations Committee, but she was willing to do so again
- Mrs. Howell also noted that there had been three follow-up requests made at the June 2023 meeting, with the first two having been addressed in today’s meeting, and the third having been forwarded to the PH Board’s assistant for coordination at a future meeting of that body

V. MINUTES

A. Monday, June 6, 2022	<p>MOTION: By Director Edwards-Tate, seconded by Director Hansen and carried to approve all 3 sets of the minutes, for the meetings held on Monday, June 6, 2022, Monday, December 12, 2022, and Monday, June 12, 2023</p> <p>Carried by the following vote, taken by roll call: Chairperson Corrales – aye; Director Edwards-Tate – aye; Director Greer –aye; Director Hansen – aye; Director King – aye; Absent:</p>	
B. Monday, December 12, 2022		
C. Monday, June 12, 2023		

- In response to an inquiry regarding why there were three sets of minutes being presented for approval – going back to June of 2022 – Mrs. Howell explained that she had been heavily involved in the compilation/completion of all the paperwork required for the issuance of bonds in 2022, which had prevented her from being able to finalize the minutes she had drafted during those three meetings, a task she completed in time for this meeting

VII. NEW BUSINESS (Continued)

B. Executed, Budgeted, Routine Physician Agreements	<p>MOTION: By Director Hansen, seconded by Director Greer and carried to approve the Executed, Budgeted, Routine Physician Agreements as presented</p> <p>Carried by the following vote, taken by roll call: Chairperson Corrales – aye; Director Edwards-Tate – aye; Director Greer – aye; Director Hansen – aye; Director King – aye; Absent:</p>	
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- Director King stated that these were standard contracts for the physician who supported the grants programs, and Mrs. Howell added that they were both for Dr. Byron Chow, extending the terms of his contracts to act as a consultant to the Healthy Development Services and First Steps programs

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
<p>E. Resolution No. 12.19.23(02)-7 – Setting the Date, Time & Location for the Annual Organizational Meeting for Calendar Year 2024</p>	<p>MOTION: By Director Edwards-Tate, seconded by Chairperson Corrales, and carried to approve Resolution No. 12.19.23(02)-7 – Setting the Date, Time & Location for the Annual Organizational Meeting for Calendar Year 2024 for Friday, June 21, 2024, from 1:30 to 3:30 p.m. in the Linda Greer Conference Room, 2125 Citracado Parkway, Suite 300, Escondido, CA</p> <p>Carried by the following vote, taken by roll call: Chairperson Corrales – aye; Director Edwards-Tate – aye; Director Greer – aye; Director Hansen – aye; Director King – aye; Absent:</p>	
<ul style="list-style-type: none"> • Mrs. Howell stated that the Board was required to set a date, time and location for the annual organizational meeting for the following calendar year, and she referenced Page 10, on which three dates had been suggested <ul style="list-style-type: none"> o Those dates had been chosen because there was either a PH Board or PH Board Committee meeting on them 		
<p>F. Resolution No. 12.19.23(03)-8 – Naming Authorized Signatories for Banking Accounts & Setting Signature Authority Limits</p>	<p>MOTION: By Director Greer, seconded by Director Edwards-Tate, and carried to approve Resolution No. 12.19.23(03)-8 – Naming Authorized Signatories for Banking Accounts & Setting Signature Authority Limits</p> <p>Carried by the following vote, taken by roll call: Chairperson Corrales – aye; Director Edwards-Tate – aye; Director Greer – aye; Director Hansen – aye; Director King – aye; Absent:</p>	
<ul style="list-style-type: none"> • Mrs. Howell stated that the Board of Palomar Health had recently instituted an increase in the signature authority limits for a single signature on checks or other forms of payment, that increase being from a single signature for amounts up to \$10,000 to a single signature for amounts up to \$20,000 <ul style="list-style-type: none"> o After discussing the matter with members of the finance team, Ms. Ebner had requested that the signature limits for Palomar Health Development be updated to reflect the same signature authority limits o Passage of the Resolution on Page 23 of the agenda packet would fulfill that request 		
<p>VIII. BOARD MEMBER COMMENTS/FUTURE AGENDA ITEMS</p>		
<ul style="list-style-type: none"> • Chairperson Corrales stated that she was proud to be part of the Palomar Health system, with everyone working so hard to ensure that our constituents were being helped and provided with much-needed services. She knew that in the future everyone was going to work twice as hard so that we could do even more for our community. She then wished everyone a safe holiday season. 		

BOARD OF DIRECTORS – MEETING MINUTES – TUESDAY, DECEMBER 19, 2023

AGENDA ITEM

• **DISCUSSION**

CONCLUSIONS/ACTIONS

**FOLLOW-UP/
RESP PARTY**

IX. ADJOURNMENT

Chairperson Corrales adjourned the meeting at 1:39 p.m.

SIGNATURES:

PHD Board Chairperson

Terry Corrales, RN

PHD Board Assistant

Tanya Howell

Next Meeting: Friday, June 21, 2024, from 1:30 to 3:30 p.m., in the Linda Greer Conference Room, 2125 Citracado Parkway, Suite 300, Escondido, CA

DRAFT

ADDENDUM E

Meeting Minutes

ATTENDANCE ROSTER		
MEMBERS	MEETING DATE	
	6/21/2024	TBD
Terry Corrales, RN, Chairperson	P	
Linda Greer, RN	P	
Laurie Edwards-Tate, MS	Resigned prior to meeting	
Laura Barry	P (Voted onto BoD during meeting)	
Diane L. Hansen	P*	
Andrew Tokar	P	
Staff Attendee		
Tanya Howell Board Assistant/Corporate Secretary	P	
Guest Presenters¹		

V = Virtual P = Present E = Excused

¹ See text of minutes for names of invited guests/presenters

BOARD OF DIRECTORS – MEETING MINUTES – FRIDAY, JUNE 21, 2024

AGENDA ITEM

DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
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I. CALL TO ORDER

- Chairperson Terry Corrales called the meeting to order at 1:31 p.m.
- Quorum comprised of Directors Corrales, Greer & Tokar
- **Notice of Meeting and Full Agenda Packet** were posted at Palomar Health’s (PH) Administrative Offices on Friday, June 14, 2024, and on the Palomar Health Development, Inc. (PHD) home page on the PH website on Monday, June 17, 2024, which is consistent with legal requirements. Notice of that posting was also made via email to the PHD Board and staff members.

II. PUBLIC COMMENTS

- There were no public comments

III. INFORMATION ITEM(S)

- Kevin DeBruin, Chief Legal Officer for PH, informed the Board that Director Laurie Edwards-Tate had formally resigned from this Board as of June 19th
 - After a review of the PHD Bylaws, Mr. DeBruin stated that the Board could nominate another PH Board member who was willing and able and interested in serving on the PHD Board, then take a vote on that nomination
 - **MOTION:** By Director Greer, seconded by Chairperson Corrales to nominate PH Director Laura Barry as a member of the PHD Board; carried by the following vote, taken by roll call: Director Greer – aye; Director Tokar – aye; Chairperson Corrales – aye; Absent: Director Hansen
 - Director Barry also asked that the minutes reflect that PH Board Chair Jeff Griffith had given his approval for her being seated on the PHD Board

A. Administrative Oversight for Palomar Health Development	<i>Information only</i>	
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- Melissa Wallace, VP of Finance for PH & Financial Services Manager for PHD, reported that Management had found that the stipend currently being paid to PH (\$3,500/month) as compensation for administrative oversight was adequate for the services being rendered; therefore, the evergreen agreement would be allowed to roll over for another year with no action required by the Board

IV. OLD BUSINESS

A. Board Meeting Follow-ups	<i>Information only</i>	
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| <ul style="list-style-type: none"> • Secretary Tanya Howell read the follow-up topic contained in the Form A aloud, noting that Director Hansen was not yet present and had not notified her prior to the meeting whether the discussion had occurred <ul style="list-style-type: none"> ○ In response to an inquiry by Chairperson Corrales, Mrs. Howell noted that Director Hansen was expected to attend today’s meeting, and the topic could be revisited following her arrival, instead of having to be carried forward to another meeting | | <ul style="list-style-type: none"> • Director Hansen was going to review options for having Ms. Brown and/or Ms. Knight report on PHF funding activities at a future PH Board meeting |
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BOARD OF DIRECTORS – MEETING MINUTES – FRIDAY, JUNE 21, 2024

AGENDA ITEM

• DISCUSSION

CONCLUSIONS/ACTIONS

**FOLLOW-UP/
RESP PARTY**

- Following the Presentations portion of the meeting, Chairperson Corrales returned to this topic, ***as Director Hansen had joined the meeting during the presentations**
 - o After Mrs. Howell repeated the follow-up topic from the Form A to her, Director Hansen indicated that she had discussed the topic with Kristin Gaspar, VP of Philanthropy, and additional opportunities for grant funding were being discussed by the team at the Foundation

V. MINUTES

A. Tuesday, December 19, 2023

MOTION: By Director Greer, seconded by Chairperson Corrales to approve the minutes of the Tuesday, December 19, 2023, Board meeting

The Motion was not carried in the following vote, taken by roll call, as there were two abstentions and one absence:

Director Greer – aye; Director Barry – abstained; Chairperson Corrales – aye; Director Tokar – Abstained; Absent: Director Hansen

- No discussion

VI. PRESENTATIONS

A. Update on Grants & Contract Inventory

Information only

- Utilizing the presentation included as Addendum B, Aimee Ebner, Financial Services Manager, presented an update on grants

B. First 5 Commission Funded Programs

i. Healthy Development Services (HDS)

Information only

- Mrs. Howell was going to email the event flyer for the Health Fair to the Board members – **done**

- Utilizing the presentation included as Addendum C, Cindy Linder, North Inland Regional Coordinator for Healthy Development Services, presented an update on that program, noting that this was the new CFO, Andrew Tokar’s, first meeting with PHD, so today’s presentation of both First 5 San Diego grant-funded programs would highlight the funding history with a quick peek at current services
 - o Annual reports for each program were also available and contained detailed program information as well as evaluation outcomes
 - o Ms. Linder also invited the members of the Board to the HDS Program’s Health & Resource Fair on Saturday, June 29th

BOARD OF DIRECTORS – MEETING MINUTES – FRIDAY, JUNE 21, 2024

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
ii. First Steps	<i>Information only</i>	<ul style="list-style-type: none"> Mrs. Howell was going to email the event flyer for the Family Fun Day to the Board members – done
<ul style="list-style-type: none"> Continuing with the presentation included as Addendum C, Shirin Strauss, Manager of the First Steps Program – funded by The First 5 Commission and the State’s CalWORKs Program – presented an update on that program <ul style="list-style-type: none"> Ms. Strauss invited the members of the Board to the First Steps Program’s Summer Family Fun Day and Resource Fair on Friday, August 9th 		
C. Forensic Health Services Programs at Palomar Health	<i>Information only</i>	
<ul style="list-style-type: none"> Utilizing the presentation included as Addendum D, Michelle Shores, Director of Forensic Health Services & Trauma Recovery Center Services provided an update on those programs 		
VII. NEW BUSINESS		
A. Resolution No. 06.21.24(01)-1 – Acknowledging the Selection of the New Board, Ratifying the Appointment of the Chairperson and Confirming the Election of the Vice-Chairperson for Calendar Year 2024	MOTIONS: <i>See below* for separate motions</i> that carried to approval of Resolution No. 06.21.24(01)-1 – Acknowledging the Selection of the New Board, Ratifying the Appointment of the Chairperson and Confirming the Election of the Vice-Chairperson for Calendar Year 2024, as amended to reflect the nominations listed below.	
<ul style="list-style-type: none"> *MOTION: By Director Hansen, seconded by Director Greer and carried unanimously to acknowledge the selection of the new Board of PHD *MOTION: By Director Barry, seconded by Director Greer and carried unanimously to ratify the appointment of Director Corrales as Chairperson of the Board of PHD *MOTION: By Director Hansen to nominate Director Tokar as Treasurer, Director Barry as Vice-Chair and Director Greer as Secretary of the Board of PHD – carried unanimously 		
B. Resolution No. 06.21.24(02)-2 – Confirming Appointment of Corporate Officers for Calendar Year 2024	MOTION: By Director Greer, seconded by Director Hansen and carried to nominate Director Hansen as President, Director Tokar as Chief Financial Officer, and Tanya Howell as the Secretary and to approve Resolution No. 06.21.24(02)-2 – Confirming Appointment of Corporate Officers for Calendar Year 2024. Carried by the following vote, taken by roll call: Director Greer – aye; Director Barry – aye; Director Hansen – aye; Director Tokar – aye; Chairperson Corrales – aye; Absent:	
<ul style="list-style-type: none"> Mrs. Howell stated that the current slate of officers from the last year were: <ul style="list-style-type: none"> Diane Hansen, President; Hubert U. King, Chief Financial Officer; and Tanya Howell, Secretary As Mr. King was no longer the CFO of PH, it was recommended that Andrew Tokar, the new CFO of PH, be appointed as the CFO of PHD 		

BOARD OF DIRECTORS – MEETING MINUTES – FRIDAY, JUNE 21, 2024

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
<p>C. Resolution No. 06.21.24(03)-3 – Bank of America Deposit Account & Treasury Management Services Banking Resolution and Certificate of Incumbency</p>	<p>MOTION: By Director Barry, seconded by Director Greer and carried to approve Resolution No. 06.21.24(03)-3 – Bank of America Deposit Account & Treasury Management Services Banking Resolution and Certificate of Incumbency.</p> <p>Carried by the following vote, taken by roll call: Director Greer – aye; Director Barry – aye; Director Hansen – aye; Director Tokar – aye; Chairperson Corrales – aye; Absent:</p>	
<p>• Mrs. Howell stated that the Resolution reaffirmed that PHD would maintain the Bank of America banking account, with changes to the organizational structure of PH necessitating changes to the specimen signatures of the current corporate officers and other authorized signors (removal of Hugh King in favor of Andrew Tokar as CFO of PHD; and return of Melissa Wallace from her role as Interim CFO for PH to her role as VP of Finance of PH)</p>		
<p>D. Resolution No. 06.21.24(04)-4 – Bank of America Securities Authorizing Persons Resolutions</p>	<p>MOTION: By Director Barry, seconded by Director Greer and carried to approve Resolution No. 06.21.24(04)-4 – Bank of America Securities Authorizing Persons Resolutions.</p> <p>Carried by the following vote, taken by roll call: Director Greer – aye; Director Barry – aye; Director Hansen – aye; Director Tokar – aye; Chairperson Corrales – aye; Absent:</p>	
<p>• Mrs. Howell stated that this Resolution effected the same changes as noted above for the banking accounts, but it was specific to the securities account</p>		
<p>E. May 2024 & YTD FY2024 Financial Report</p>	<p>MOTION: By Director Greer, seconded by Chairperson Corrales and carried to approve the May 2024 & YTD FY2024 Financial Report as presented.</p> <p>Carried by the following vote, taken by roll call: Director Greer – aye; Director Barry – aye; Director Tokar – aye; Chairperson Corrales – aye; Absent: Director Hansen</p>	
<p>• Utilizing the presentation included as Addendum E, Ms. Ebner presented the financial report through May 2024</p> <ul style="list-style-type: none"> o The full audit of the FYE June 30, 2024, financials will be presented at the meeting at the end of the year 		

BOARD OF DIRECTORS – MEETING MINUTES – FRIDAY, JUNE 21, 2024

AGENDA ITEM

• DISCUSSION	CONCLUSIONS/ACTIONS	FOLLOW-UP/ RESP PARTY
F. Resolution No. 06.21.24(05)-5 – Setting the Date, Time & Location for the Remaining Board Meeting for Calendar Year 2024	MOTION: By Director Hansen, seconded by Director Tokar and carried to approve Resolution No. 06.21.24(05)-5– Setting the Date, Time & Location for the Remaining Board Meeting for Calendar Year 2024 for 1:00 p.m. on Thursday, December 12, 2024, with the location either in person/virtual as specified on the Resolution. Carried by the following vote, taken by roll call: Director Greer – aye; Director Barry – aye; Director Hansen – aye; Director Tokar – aye; Chairperson Corrales – aye; Absent:	

- Mrs. Howell stated that the Board was required to set a date, time and location for the remaining meeting for the Calendar Year, and three dates had been suggested
 - o She further noted that dates in December were being suggested since the second meeting each year needed to be held in that month due to audit scheduling; and the dates in question were dates on which there was already either a PH Board meeting or had been confirmed as available in most Board members’ calendars
 - o The location would be both in person and virtual, in accordance with the rules of the PH Board as specified on the Resolution

VIII. BOARD MEMBER COMMENTS/FUTURE AGENDA ITEMS

- Chairperson Corrales thanked the team for the work they did representing Palomar Health out in the community
- She also welcomed Director Barry as the new Vice-Chair

IX. ADJOURNMENT

MOTION: Chairperson Corrales adjourned the meeting at 3:13 p.m.

SIGNATURES: <p align="center">PHD Board Chairperson</p>	<p align="center">_____ Terry Corrales, RN</p>	<p align="center">PHD Board Assistant</p>	<p align="center">_____ Tanya Howell</p>
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Next Meeting: TBD

ADDENDUM F

**Amendment #13 to the Medical Directorship for the
First 5 First Steps Program**

TO: Palomar Health Development Board

MEETING DATE: Thursday, December 12, 2024

FROM: Shirin Strauss, M.A., ICCE, IBCLC
Program Manager, First 5 First Steps
Valerie Martinez, Senior Director, First 5 First Steps

Background: The contract Amendment #13 is for consultation (chart review) by Byron Chow, MD, as Medical Director for our Palomar Health First 5 First Steps Home Visiting Program (he is not providing direct services). Consultation includes: Chart review in person and by telephone; participation in First Steps Advisory Board; and other meetings as applicable. (NOTE: Dr. Chow is also the medical director for our First 5-funded HDS program.)

Budget Impact: First Steps has budgeted for this contractual agreement. The First 5 Commission of San Diego (our funder) has approved the use of grant funding for these consultant services.

STAFF RECOMMENDATION: Approval of Contract Amendment #13 to the First Steps Medical Director Agreement with Byron Chow, MD.

Motion: X

Individual Action:

Information:

Required Time:

**PALOMAR HEALTH DEVELOPMENT, INC.
AGREEMENT ABSTRACT**

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Contract Amendment #13 to the First Steps Medical Director Agreement
	AGREEMENT DATE	July 1, 2024 – June 30, 2025
	PARTIES	Palomar Health First 5 First Steps Program and Byron Chow, M.D.
	PURPOSE	For his services as First Steps Medical Director (consultation only, no direct services).
	SCOPE OF SERVICES	In-person, telephone or remote consultation and chart review. Participation in First Steps Advisory Board, The North County Home Visiting Collaborative created and facilitated by First Steps, and other meetings as applicable.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	July 1, 2024 – June 30, 2025
	RENEWAL	Written annual renewal
	TERMINATION	Evergreen contract, with review and written renewal at one-year intervals
	COMPENSATION METHODOLOGY	Hourly. This expense is covered by First Steps grant funding.
	FMV ASSESSMENT COMPLETED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO – Grant funded at contracted rate
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	To be sure our families are not medically too high risk for our program, and to identify the need for physician referrals as applicable.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	
	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input checked="" type="checkbox"/> Provision for chart review
	COMMENTS	We are pleased to have the opportunity to work with Dr. Chow for another year as Medical Director for First Steps.
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> Dept Director/Dept Program Manager <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> BOD

**Contract Amendment #10 to the Medical Directorship for
The First 5 Healthy Development Services Program**

TO: Palomar Health Development Board

MEETING DATE: Tuesday, December 12, 2024

FROM: Cindy Linder, RN, BSN
Regional Coordinator Healthy Development Services
Valerie Martinez, Senior Director, Healthy Development Services

Background: This is Amendment No. 10 to the 1.1.2011 Medical Director Agreement for the First 5 Healthy Development Program. The agreement is for consultation (chart review) by Byron Chow, MD (he does not provide direct services). Consultation includes: Chart review in person and by video services; participation in HDS Advisory Board; and other meetings as applicable. (NOTE: Dr. Chow is also the medical director for our First 5 First Steps program).

Budget Impact: Healthy Development Services has budgeted for this contractual agreement. The First 5 Commission of San Diego (our funder) has approved the use of grant funding for these consultant services.

STAFF RECOMMENDATION: Approval of Amendment No. 10 to the Healthy Development Services Medical Director Agreement with Byron Chow, MD.

Motion: X

Individual Action:

Information:

Required Time:

PALOMAR HEALTH DEVELOPMENT, INC. – AGREEMENT ABSTRACT

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	Amendment No. 10 to the 1.1.2011 Medical Director Agreement for the First 5 Healthy Development Services Program
	AGREEMENT DATE	July 1, 2024
	PARTIES	Palomar Health Development, Inc., and Byron Chow, M.D.
	PURPOSE	For his services as HDS Medical Director (consultation only, no direct services).
	SCOPE OF SERVICES	In-person or telephone consultation and chart review. Participation in HDS Advisory Board and other meetings as applicable.
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	July 1, 2024 – June 30, 2025
	RENEWAL	Written annual renewal until suspension of program (5 years of initial/current funding and probability for second 5-year term).
	TERMINATION	Evergreen contract, with review and written renewal at one-year intervals
	COMPENSATION METHODOLOGY	Hourly
	FMV ASSESSMENT COMPLETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – DATE: 10/19/16
	FMV ASSESSMENT COMPLETED	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO – DATE: Grant funded at contracted rate
	BUDGETED	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO – IMPACT:
	EXCLUSIVITY	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES – EXPLAIN:
	JUSTIFICATION	Physician review is required to provide therapy services.
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	
	Duties	<input checked="" type="checkbox"/> Provision for chart review <input checked="" type="checkbox"/> Provision for participation in Quality Improvement
	COMMENTS	We are pleased to have the opportunity to work with Dr. Chow for another year as Medical Director for HDS.
	APPROVALS REQUIRED	<input type="checkbox"/> VP <input type="checkbox"/> CFO <input type="checkbox"/> CEO <input type="checkbox"/> BOD Committee _____ <input type="checkbox"/> BOD