

MONDAY, DECEMBER 12, 2022, 12:00 Noon Meeting

BOARD OF DIRECTORS

PLEASE NOTE: Participation will be virtual pursuant to Palomar Health Board Resolution No. 01.10.22(03)-03 which applies to those members of the Palomar Health Development Board who are also members of the Palomar Health Board.

Please join the meeting from your computer, tablet or smartphone: <https://meet.goto.com/115246349>

OR Dial in using your phone: 866.899.4679; Access Code: 115246349#

			<u>Time</u>	<u>Page</u>	<u>Target</u>
I.	CALL TO ORDER				12:00
II.	PUBLIC COMMENTS ²		15		12:15
III.	INFORMATION ITEM(S) – NONE				
IV.	OLD BUSINESS – NONE		0		12:15
VII.	NEW BUSINESS (<i>Out of order due to guest speaker</i>)				
*A.	Independent Audit of the Annual Financial Report of Palomar Health Development, Inc., for Fiscal Year End 2022 (<i>Addendum A – Pp12-25</i>)	<i>Aldrich CPAs + Advisors LLP</i>			
i.	Resolution No. 12.12.22(01)-5 – Authorizing Acceptance of the Independent Audit of the Annual Financial Report of Palomar Health Development, Inc., for Fiscal Year End 2022 as the Annual Report	<i>Hugh King</i>	15	2-3	12:30
V.	MINUTES –Monday, June 6, 2022 (<i>To be presented at the meeting</i>)		3	4	12:33
VI.	PRESENTATION(S)				
A.	Update on Grants & Contracts Inventory (<i>Addendum B – Pp26-30</i>)	<i>Aimee Ebner</i>	10	5	12:43
VII.	NEW BUSINESS (<i>Continued</i>)				
*B.	Executed, Budgeted, Routine Physician Agreements (<i>Addendum C – Pp31-38</i>)	<i>Hugh King</i>	2	6	12:45
*C.	Ratification of the FY2023 Operating Budget for Palomar Health Development	<i>Aimee Ebner</i>	5	7-8	12:50
*D.	October 2022 & YTD FY2023 Financial Report (<i>Addendum D – Pp39-46</i>)	<i>Aimee Ebner</i>	10	9	1:00
*E.	Resolution No. 12.12.22(02)-6– Setting the Date, Time & Location for the Annual Organizational Meeting for Calendar Year 2023	<i>Tanya Howell</i>	10	10-11	1:10
VIII	BOARD MEMBER COMMENTS/FUTURE AGENDA ITEMS		5	—	1:15
IX.	FINAL ADJOURNMENT				1:15

Next Regular Meeting: TBD

Palomar Health Development, Inc., Board of Directors		
Terry Corrales, RN, Chairperson	Laurie Edwards-Tate, Vice-Chairperson	Linda Greer, RN, Secretary
Hugh King, Treasurer	Diane Hansen, Director	

Palomar Health Development, Inc.
Resolution No. 12.12.22(01)-5
Authorizing Acceptance of the Independent Audit
of Palomar Health Development, Inc., for
Fiscal Year End 2022 as the Annual Report

TO: Palomar Health Development Board of Directors

MEETING DATE: Monday, December 12, 2022

FROM: Hubert U. King, 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 2022—which will serve as the Annual Report—has been delayed for good and purposeful reasons.

The Annual Financial Report for Fiscal Year End 2022 (Audited) was prepared by Aldrich CPAs + Advisors, LLC, of San Diego, California (“Aldrich”). The report has not been presented to the Audit Committee of the Board as there was not a quorum presented at its meeting on Monday, November 14, 2022. At that meeting, the auditors confirmed that the results of the audit could be submitted directly to the full Board without having previously been reviewed/approved by the Audit Committee.

The Annual Financial Report for Fiscal Year End 2022 (Audited) is hereby presented to the Board of Palomar Health Development for consideration and acceptance as the Annual Report (*Addendum A*).

Budget Impact: N/A

COMMITTEE RECOMMENDATION: Management recommends adoption of Resolution No. 12.12.22(01)-5 authorizing acceptance of the Independent Audit of Palomar Health Development, Inc., for Fiscal Year End 2022 as the Annual Report.

Motion:

Individual Action: X

Information:

Required Time:

RESOLUTION NO. 12.12.22(01)-5

**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 2022
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 2022 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 2022 (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, 2022, *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, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 12, 2022

APPROVED:

ATTESTED:

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

Tanya Howell
Corporate Secretary
Palomar Health Development, Inc.

**Board Meeting Minutes
Monday, June 6, 2022**

TO: Palomar Health Development Board

MEETING DATE: Monday, December 12, 2022

FROM: Tanya Howell, Corporate Secretary

Background: The minutes of the Annual Organizational Meeting held on Monday, June 6, 2022, were not yet final at the time of posting. Should they be completed prior to the meeting, they will be submitted at that time for approval.

Budget Impact: N/A

STAFF RECOMMENDATION: Approval of the Monday, June 6, 2022, Annual Organizational Meeting minutes.

Motion: X

Individual Action:

Information:

Required Time:

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

TO: Palomar Health Development Board

MEETING DATE: Monday, December 12, 2022

FROM: Hubert U. King, Chief Financial Officer

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

Budget Impact: None.

STAFF RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:

EXECUTED, BUDGETED, ROUTINE PHYSICIAN AGREEMENTS

TO: Palomar Health Development Board

MEETING DATE: Monday, December 12, 2022

FROM: Hubert U. King, Chief Financial Officer

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

PHYSICIAN/GROUP	TYPE OF AGREEMENT
July 2022	
<ul style="list-style-type: none">Byron Chow, MD.	<ul style="list-style-type: none">Amendment 11 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 8 to the Medical Director Services Agreement for the First 5 Healthy Development Services Program
<ul style="list-style-type: none">Mary Spencer, MD	<ul style="list-style-type: none">Amendment 3 to the Administrative Services Agreement for Oversight of the New Alternatives Contract

The standard Form A and Abstract Table are included as Addendum D.

Staff Recommendation: Approval

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

Motion: X

Individual Action:

Information:

Required Time:

**Palomar Health Development
Operating Budget Review for Fiscal Year 2023**

TO: Palomar Health Development Board of Directors

MEETING DATE: Monday, December 12, 2022

FROM: Aimee Ebner, Financial Services Manager

Background: The FY2023 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 FY2023 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 FY2023
Revenue	330,120
Expenses	60,995
Net Income/Loss From Operations	269,125
Interest Expense	68,636
Net Income/Loss	200,489

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

TO: Palomar Health Development Board

MEETING DATE: Monday, December 12, 2022

FROM: Hubert U. King, 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 2022 and YTD FY2023 Financial Report. The attached report (*Addendum D*) also includes June 2022 financials, which have already been reviewed by the auditors.

Budget Impact: None.

STAFF RECOMMENDATION: Staff recommends approval of Health Development’s October 2022 and YTD FY2023 Financial Report.

Motion: X

Individual Action:

Information:

Required Time:

**Resolution No. 12.12.22(02)-6
Setting the Date for the Annual Organizational Meeting
for Calendar Year 2023**

TO: Palomar Health Development Board

MEETING DATE: Monday, December 12, 2022

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 2023—with the location to be decided at a later date—has been drafted. The Board is requested to choose between the following dates and times.

DATE	PURPOSE OF MEETING	LOCATION
MONDAY JUNE 12, 2023 1:00–3:30 P.M.	Annual Organizational Meeting Fiscal Year 2023	<i>TBD depending on social distancing rules in place at that time</i>
OR		
TUESDAY JUNE 20, 2023 1:00-3:00 P.M.	Annual Organizational Meeting Fiscal Year 2023	<i>TBD depending on social distancing rules in place at that time</i>
OR		
THURSDAY JUNE 22, 2023 1:00-3:00 P.M.	Annual Organizational Meeting Fiscal Year 2023	<i>TBD depending on social distancing rules in place at that time</i>

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 2023, with the location to be decided at a later date; and that the Board adopt Resolution No. 12.12.22(02)-6 after it has been amended to reflect the date and time chosen.

Motion:

Individual Action: X

Information:

RESOLUTION NO. 12.12.22(02)-6

**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 2023**

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 2023 will be held at the date, time and location noted below:

<u>DATE</u>	<u>TIME</u>	<u>LOCATION</u>
DAY OF WEEL JUNE X, 2023	1:00-3:00 P.M.	<i>TBD depending on social distancing rules in place at that time</i>

PASSED AND ADOPTED at the meeting of the Board of Directors of Corporation held on December 12, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 12, 2022

APPROVED:

ATTESTED:

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

Tanya Howell
Corporate Secretary
Palomar Health Development, Inc.

ADDENDUM A

Palomar Health Development, Inc.

Financial Statements

Years Ended June 30, 2022 and 2021

DRAFT



PALOMAR HEALTH DEVELOPMENT, INC.

Financial Statements

Years Ended June 30, 2022 and 2021

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DRAFT

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, 2022 and 2021, 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, 2022 and 2021, 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.

Emphasis-of-Matter Regarding Economic Dependency

Palomar Health Development, Inc. was formed to support Palomar Health (PH) and the financial activity between the two organizations is significant. Palomar Health Development, Inc. is economically dependent on PH. Our opinion is not modified with respect to this matter.

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.

Carlsbad, California

DATE

DRAFT

PALOMAR HEALTH DEVELOPMENT, INC.**Statements of Financial Position**

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash	\$ 1,999,815	\$ 1,828,877
Grants receivable	793,194	649,976
Prepaid expenses	<u>3,111</u>	<u>2,922</u>
Total Assets	<u>\$ 2,796,120</u>	<u>\$ 2,481,775</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Line of credit - Palomar Health	\$ 1,788,010	\$ 1,837,720
Accounts payable - Palomar Health	756,187	581,511
Accounts payable - other	<u>2,970</u>	<u>2,000</u>
Total Liabilities	2,547,167	2,421,231
Net Assets:		
Without donor restrictions	2,359	(256,341)
With donor restrictions	<u>246,594</u>	<u>316,885</u>
Total Net Assets	<u>248,953</u>	<u>60,544</u>
Total Liabilities and Net Assets	<u>\$ 2,796,120</u>	<u>\$ 2,481,775</u>

See accompanying notes to financial statements.

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

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grant revenue	\$ 3,603,141	\$ -	\$ 3,603,141
Other income	610	-	610
Net assets released from restrictions:			
Satisfaction of time restrictions	<u>70,291</u>	<u>(70,291)</u>	<u>-</u>
Total Revenue and Support	3,674,042	(70,291)	3,603,751
Expenses:			
Program services	2,946,043	-	2,946,043
General and administrative	<u>469,299</u>	<u>-</u>	<u>469,299</u>
Total Expenses	<u>3,415,342</u>	<u>-</u>	<u>3,415,342</u>
Changes in Net Assets	258,700	(70,291)	188,409
Net Assets (Deficit), beginning	<u>(256,341)</u>	<u>316,885</u>	<u>60,544</u>
Net Assets, ending	<u>\$ 2,359</u>	<u>\$ 246,594</u>	<u>\$ 248,953</u>

See accompanying notes to financial statements.

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

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Grant revenue	\$ 3,435,974	\$ -	\$ 3,435,974
Other income	387	337,942	338,329
Net assets released from restrictions:			
Satisfaction of time restrictions	<u>80,309</u>	<u>(80,309)</u>	<u>-</u>
Total Revenue and Support	3,516,670	257,633	3,774,303
Expenses:			
Program services	2,804,536	-	2,804,536
General and administrative	<u>453,417</u>	<u>-</u>	<u>453,417</u>
Total Expenses	<u>3,257,953</u>	<u>-</u>	<u>3,257,953</u>
Changes in Net Assets	258,717	257,633	516,350
Net Assets (Deficit), beginning	<u>(515,058)</u>	<u>59,252</u>	<u>(455,806)</u>
Net Assets (Deficit), ending	<u>\$ (256,341)</u>	<u>\$ 316,885</u>	<u>\$ 60,544</u>

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.**Statement of Functional Expenses**

Year Ended June 30, 2022

	Program Services	General and Administrative	Total
Salaries and wages	\$ 1,686,342	\$ 261,993	\$ 1,948,335
Employee benefits	445,389	78,598	523,987
Professional fees	321,491	16,000	337,491
Purchased services	271,656	-	271,656
Interest	-	70,291	70,291
Building rent	68,421	-	68,421
Consulting fees	-	36,000	36,000
Supplies	31,074	338	31,412
Emergency needs for clients	29,464	-	29,464
Incentives	14,116	-	14,116
Repairs and maintenance	9,055	4,477	13,532
Training	13,527	-	13,527
Travel	12,631	-	12,631
License fees	10,293	-	10,293
Utilities	8,987	-	8,987
Dues and subscriptions	5,565	-	5,565
Equipment rent	4,669	-	4,669
Other	13,363	1,602	14,965
	\$ <u>2,946,043</u>	\$ <u>469,299</u>	\$ <u>3,415,342</u>

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.**Statement of Functional Expenses**

Year Ended June 30, 2021

	Program Services	General and Administrative	Total
Salaries and wages	\$ 1,593,620	\$ 254,760	\$ 1,848,380
Employee benefits	433,090	76,428	509,518
Professional fees	322,738	227	322,965
Purchased services	251,857	-	251,857
Interest	-	80,309	80,309
Moving expenses	49,983	-	49,983
Building rent	41,066	-	41,066
Consulting fees	-	36,000	36,000
Supplies	33,385	58	33,443
Incentives	21,222	-	21,222
Emergency needs for clients	15,349	-	15,349
Training	8,768	-	8,768
Utilities	6,733	-	6,733
Equipment rent	4,257	-	4,257
Repairs and maintenance	-	4,204	4,204
Dues and subscriptions	3,465	-	3,465
Travel	1,233	-	1,233
License fees	150	-	150
Other	17,620	1,431	19,051
	<u>\$ 2,804,536</u>	<u>\$ 453,417</u>	<u>\$ 3,257,953</u>

See accompanying notes to financial statements.

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

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ 188,409	\$ 516,350
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Line of credit discount - Palomar Health	70,291	80,309
Changes in operating assets and liabilities:		
Grants receivable	(143,218)	(64,050)
Prepaid expenses	(189)	(179)
Accounts payable - Palomar Health	174,676	2,028
Accounts payable - other	970	381
Accrued expenses	-	(18,000)
Net Cash Provided by Operating Activities	<u>290,939</u>	<u>516,839</u>
Cash Flows Used by Financing Activities:		
Net activity on line of credit - Palomar Health	<u>(120,001)</u>	<u>(457,942)</u>
Net Increase in Cash	170,938	58,897
Cash, beginning	<u>1,828,877</u>	<u>1,769,980</u>
Cash, ending	<u>\$ 1,999,815</u>	<u>\$ 1,828,877</u>
Supplemental Disclosures of Noncash Financing Activities:		
Interest relieved from restrictions as contribution	<u>\$ 70,291</u>	<u>\$ 80,309</u>

See accompanying notes to financial statements.

PALOMAR HEALTH DEVELOPMENT, INC.

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

Palomar Health Development, Inc. (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 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, 2022 and 2021.

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, 2022 and 2021, 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 bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Management believes all receivables are fully collectible. Therefore, no allowance for doubtful accounts 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, 2022 and 2021

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.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Organization may be subject to tax on income which is not related to its exempt purpose. For the years ended June 30, 2022 and 2021, 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 **DATE**, 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.

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, 2022. The Healthy Development Services Program, funded by the Commission, provided 43% and 44% of the Organization's grant revenue for the years ended June 30, 2022 and 2021, respectively, and 43% and 65% of the Organization's grants receivable at June 30, 2022 and 2021, respectively.

The Organization and the Commission entered into an agreement to provide targeted home visiting initiative services. The contract term is through June 30, 2022. The First Five First Steps, funded by the Commission, provided 27% and 32% of the Organization's grant revenue for the years ended June 30, 2022 and 2021, respectively, and 31% and 25% of the Organization's grants receivable at June 30, 2022 and 2021, respectively.

The Organization and the San Diego County Sherriff's Department entered into an agreement to provide victim services. The contract term is through June 30, 2022. The Victim Services Program, funded by the Department, was 16% of the Organization's grants receivable at June 30, 2022.

PALOMAR HEALTH DEVELOPMENT, INC.

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

Note 2 - Concentrations of Credit Risk, continued

Economic Dependency

The Organization is economically dependent on PH.

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, 2022, the available credit limit on the line of credit is approximately \$1,600,000. 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>2022</u>	<u>2021</u>
Cash	\$ 1,999,815	\$ 1,828,877
Grants receivable	<u>793,194</u>	<u>649,976</u>
Total financial assets	2,793,009	2,478,853
Less amounts not available to be used within one year:		
Restricted by donor with purpose restrictions	<u>(8,706)</u>	<u>(8,706)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,784,303</u>	<u>\$ 2,470,147</u>

Note 4 - Net Assets

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

	<u>2022</u>	<u>2021</u>
Interest on note payable to PH	\$ 237,888	\$ 308,179
Child Sexual Abuse Program	7,877	7,877
Sexual Assault Response Team Staff Ed.	<u>829</u>	<u>829</u>
	<u>\$ 246,594</u>	<u>\$ 316,885</u>

Net assets were released from donor restrictions by incurring expenses to satisfy program restriction or passage of time. For the years ended June 30, 2022 and 2021, interest on the note payable to PH of \$70,291 and \$80,309 were released from donor restrictions, respectively.

PALOMAR HEALTH DEVELOPMENT, INC.

Notes to Financial Statements

Years Ended June 30, 2022 and 2021

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, 2022 and 2021, were \$3,451,219 and \$3,346,958, respectively. At June 30, 2022 and 2021, the amount due to PH was \$756,187 and \$581,111, respectively.

Note Payable and Line of Credit

The Organization has a note payable from PH that expired in January and was amended to expire 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, 2022 and 2021, the amount due to PH related to this agreement was \$1,788,010 and \$1,837,720, 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 \$70,291 and \$80,309 is reported in the statements of activities for the years ended June 30, 2022 and 2021, respectively. The unamortized discount for this agreement was \$237,888 and \$308,179 for the years ended June 30, 2022 and June 30, 2021, 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 \$68,421 and \$91,049 for the years ended June 30, 2022 and 2021, respectively.

ADDENDUM B

Grant Update

December 12, 2022

Current Grants

TITLE	GRANTOR	PURPOSE	AWARDED	FY23 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	\$1,916,968 Renewed Annually *includes rollover of \$65,469 from FY22	\$1,428,756	07/01/22-06/30/23	*Additional \$325K/yr. through FY25 was awarded 11/22/2022 *\$488,212 invoiced in FY23 (Jul-Oct22) *\$55,299 overhead received in FY23 *Overhead budget of \$179,940 for FY23
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.	\$878,174 Renewed Annually *includes rollover of \$33,000 from FY22	\$598,174	07/01/22-06/30/23	*\$280,001 invoiced in FY23 (Jul-Oct22) *\$31,205 overhead received in FY23 *Overhead budget is \$96,560 for FY23

Current Grants

TITLE	GRANTOR	PURPOSE	AWARDED	FY23 FUNDS REMAINING	BEG/END DATE	UPDATES
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).	\$513,315 Renewed Annually	\$385,059	07/01/22-06/30/23	*\$128,257 invoiced in FY23 (Jul-Oct22) *\$15,943 overhead received in FY23 *Overhead budget is \$60,884 for FY23
Cal Learn Home Visiting Program	County of San Diego HHSA	To provide direct home visiting services to North Inland/North Coastal families who are enrolled in Cal Learn (statewide program for pregnant and parenting teens).	\$112,709 Renewed Annually	\$78,139	07/01/22-06/30/23	*\$34,570 invoiced in FY23 (Jul-Oct22) *\$4,064 overhead received in FY23 *Overhead budget is \$13,361 for FY23
Green Oaks Ranch	New Alternatives, Inc.	Provides an intake center for assessment and placement of abused, neglected, and/or abandoned children taken into immediate protective custody by Law Enforcement Officers and/or Health & Human Services Agency Social Workers.	\$157,000 per calendar year Renewed Annually	\$100,880	1/1/22-12/31/22	*\$56,120 invoiced in FY23 (Jul-Oct22) *contract is based on calendar year *CY23 contract renewal is in process

Current Grants

TITLE	GRANTOR	PURPOSE	AWARDED	FY23 FUNDS REMAINING	BEG/END DATE	UPDATES
Victim Services Fund Previously Emergency Medical Services	San Diego County Sheriff's Department (eff. 1/1/2021) Previously County of San Diego, Health and Human Services, Emergency Medical Services (2/1/17-12/31/20)	To provide forensic medical exams on an on-call basis for victims in San Diego County.	\$2,285,000 Through Dec 2023 Multi-Year Award	\$433,500	7/1/22 – 6/30/23	*\$66,500 invoiced in FY23 (Jul-Oct 22) *Reimbursement rate of \$1,000 per initial exam for up to 443 exams. \$500 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.	\$73,000 Multi-Year Award \$7K awarded Nov 2022	\$7,000	7/1/22 – 6/30/23	*\$7K was awarded in Nov 2022 *Additional \$14,878 remains from prior year awards
CalOES XC Victim Services	County of San Diego, District Attorney's Office	To expand victim services and specialty trauma therapy services.	\$100,000 Apr 2022 – Dec 2022	\$31,717	4/7/22-12/31/22	*\$68,283 has been invoiced through October 2022 *\$31,717 currently remains in fund

Expired Grants

TITLE	GRANTOR	PURPOSE	AWARDED	FY22 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	*\$72,023 currently remains in fund
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	*\$829 currently remains in fund *Additional funding is not expected at this time

ADDENDUM C

**Amendment #11 to the Medical Directorship for the
First 5 First Steps Program**

TO: Palomar Health Development Board

MEETING DATE: Monday, December 12, 2022

FROM: Shirin Strauss, M.A., ICCE, IBCLC
Program Manager, First 5 First Steps
Virginia Barragan, Director, First 5 First Steps
Vice President Continuum Care and Oncology Service Line

Background: The contract agreement 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. In addition, they are considering replicating this innovative, strategic utilization of a local physician as Medical Director/Consultant in all First Steps programs countywide.

STAFF RECOMMENDATION: Approval of Contract Amendment #11 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 #11 to the First Steps Medical Director Agreement
	AGREEMENT DATE	July 1, 2022 – June 30, 2023
	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, 2022 – June 30, 2023
	RENEWAL	Written annual renewal
	TERMINATION	Evergreen contract, with review and written renewal at one-year intervals
	COMPENSATION METHODOLOGY	Hourly
	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	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 type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development
	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/Program Director <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> BOD

Contract Amendment #8 to the Medical Directorship for The First 5 Healthy Development Services Program

TO: Palomar Health Development Board

MEETING DATE: Monday, December 12, 2022

FROM: Cindy Linder, RN, BSN
Regional Coordinator Healthy Development Services
Virginia Barragan, Director, Healthy Development Services

Background: This is Amendment No. 8 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. 8 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. 8 to the 1.1.2011 Medical Director Agreement for the First 5 Healthy Development Services Program
	AGREEMENT DATE	July 1, 2022
	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, 2022 – June 30, 2023
	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

**Amendment 3 to the Administrative Services Agreement
Oversight of the New Alternatives Contract – Mary Spencer, MD**

TO: Palomar Health Development Board

MEETING DATE: Monday, December 12, 2022

FROM: Michelle Shores, RN, MSN, Director Forensic Health Services

Background: Mary Spencer, MD, provides medical director oversight for both the Child Abuse Program (CAP) and the Sexual Assault Response Team (SART) at Palomar Health's Forensic Health Services sites. Dr. Spencer has provided reliable forensic professional services to Palomar Health for a number of years and has been responsive to the medical staff and health system in meeting the clinical needs of its patients.

This Amendment 3 extends the Agreement from July 1, 2022, through December 31, 2022.

Palomar Health provides services to the Child Assessment Network North, which requires physician leadership and support of the New Alternatives, Inc.'s, contract with the County of San Diego to support the Child Assessment Network North ("Program"). This agreement calls for Dr. Spencer to serve as supervising physician of the Program ("Supervising Physician"), with responsibility for the physician supervision of the Program and the performance of the other medical administrative services set forth in the agreement, including all of the duties customarily associated therewith, to the reasonable satisfaction of PHO.

- Physician's duties as Supervising Physician shall include:
 - Review North County Assessment Center charts for quality control;
 - Review charts on request by the Nurse Practitioner for professional feedback;
 - Supervise the work of the Nurse Practitioner and provide consultation as needed;
 - Examine children who need a specialized exam by a physician; and,
 - Provide expert testimony as required.
- Physician shall also keep track of administrative time per the timecard attached to the Supervising Physician Agreement.

Dr. Spencer is compensated separately for this provision of services from grant-funded programs through Palomar Health Development, Inc.

Budget Impact: Grant funded by reimbursement.

STAFF RECOMMENDATION: Staff recommends approval of Amendment 3 to the Administrative Services Agreement with Mary Spencer, MD, for the Oversight of the New Alternatives Contract.

Motion: X

Individual Action:

Information:

Required Time:

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

Section Reference	Term/Condition	Term/Condition Criteria
	TITLE	1) Administrative Services Agreement – Supervising Physician 2) Amendment 1 to Administrative Services Agreement 3) Amendment 2 to Administrative Services Agreement 4) Amendment 3 to Administrative Services Agreement
	AGREEMENT DATE	1) This Agreement shall be effective as of January 1, 2020 2) This Amendment 1 shall be effective as of January 1, 2021 3) This Amendment 2 shall be effective as of January 1, 2022 4) This Amendment 3 shall be effective as of July 1, 2022
	PARTIES	The Administrative Services Agreement and Amendments ("Agreement") are entered into and executed by and between Palomar Health Development, Inc., a California nonprofit public benefit corporation ("PHD"), and Mary Spencer, M.D. ("Physician").
	PURPOSE	A. PHD provides services to the Child Assessment Network North, which requires physician leadership and support of the New Alternatives, Inc. 's contract with the County of San Diego to support the Child Assessment Network North ("Program"). B. Physician is duly licensed to practice medicine under the laws of the State of California. C. PHO and Physician have agreed that Physician will provide administrative services related to the program in accordance with this Agreement. D. All current agreements between Physician and PHD are available and on file in the master list of agreements electronically maintained by Palomar Health. •Review North County Assessment Center charts for quality control; •Review charts on request by the Nurse Practitioner for professional feedback; •Supervise the work of the Nurse Practitioner and provide consultation as needed; •Examine children who need a specialized exam by a physician; and •Provide expert testimony as required.
	SCOPE OF SERVICES	Administrative Services Agreement
	PROCUREMENT METHOD	<input type="checkbox"/> Request For Proposal <input checked="" type="checkbox"/> Discretionary
	TERM	1) 1 year 2) 1 year 3) 6 months 4) 6 months
	RENEWAL	Annual review

	TERMINATION	Without cause with 30 days written notice. For cause as defined in the agreement
	COMPENSATION METHODOLOGY	Maximum grant funded amount of 8 hours a month As compensation for Physician's medical direction of the Program in accordance with this Agreement, Physician shall be paid by the hour for such Supervising Physician services rendered during the term hereof subject to the limits set forth in Section 4. PHD will pay Physician within sixty (60) days from receipt of Physician's timesheets.
	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: Neutral
	EXCLUSIVITY	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES – EXPLAIN: Forensic/Child Abuse pediatric expertise
	JUSTIFICATION	Physician oversight for specialty forensic nurse practitioner services
	AGREEMENT NOTICED	<input type="checkbox"/> YES <input type="checkbox"/> NO Methodology & Response:
	ALTERNATIVES/IMPACT	
	Duties	<input checked="" type="checkbox"/> Provision for Staff Education <input type="checkbox"/> Provision for Medical Staff Education <input checked="" type="checkbox"/> Provision for participation in Quality Improvement <input type="checkbox"/> Provision for participation in budget process development <ul style="list-style-type: none"> •Review North County Assessment Center charts for quality control; •Review charts on request by the Nurse Practitioner for professional feedback; •Supervise the work of the Nurse Practitioner and provide consultation as needed; •Examine children who need a specialized exam by a physician; and •Provide expert testimony as required.
	COMMENTS	
	APPROVALS REQUIRED	<input checked="" type="checkbox"/> Dept/Program Director <input checked="" type="checkbox"/> CFO <input checked="" type="checkbox"/> BOD

Financial Performance

Fiscal Year 2022 - June 2022
Fiscal Year 2023 – October 2022

December 12, 2022

Combined Balance Sheet For the Year Ended June 30, 2022

	Palomar Health Development, Inc.	Research Institute	Total
Assets			
Cash			
Cash in Bank - Operating	1,631,235	0	1,631,235
Cash in Bank-Money Market	255,016	0	255,016
Total Cash	1,886,251	0	1,886,251
Receivables			
Accounts Receivable - Customer	220	0	220
Interfund Receivable	61,348	0	61,348
Total Receivables	61,568	0	61,568
Prepaid Services			
Prepaid Service Contracts	3,112	0	3,112
Total Prepaid Services	3,112	0	3,112
Software License	12,230	2,779	15,008
Accumulated Amortization	(12,230)	(2,779)	(15,008)
Total Assets	\$ 1,950,930	\$ 0	\$ 1,950,930
Liabilities & Fund Balance			
Payables			
Accounts Payable - Customer	1,696	0	1,696
Total Payables	1,696	0	1,696
Note Payable - PPH			
Note Payable - PPH	1,033,167	872,732	1,905,899
Note Payable - Current Portion	120,000	0	120,000
Note Payable - Debt Discount	(237,889)	0	(237,889)
Total Note Payable - PPH	915,278	872,732	1,788,010
Fund Balance	821,663	(872,732)	(51,069)
Excess Revenue over Expenditures	212,293	0	212,293
Total Liabilities & Fund Balance	\$ 1,950,930	\$ 0	\$ 1,950,930

Income Statement

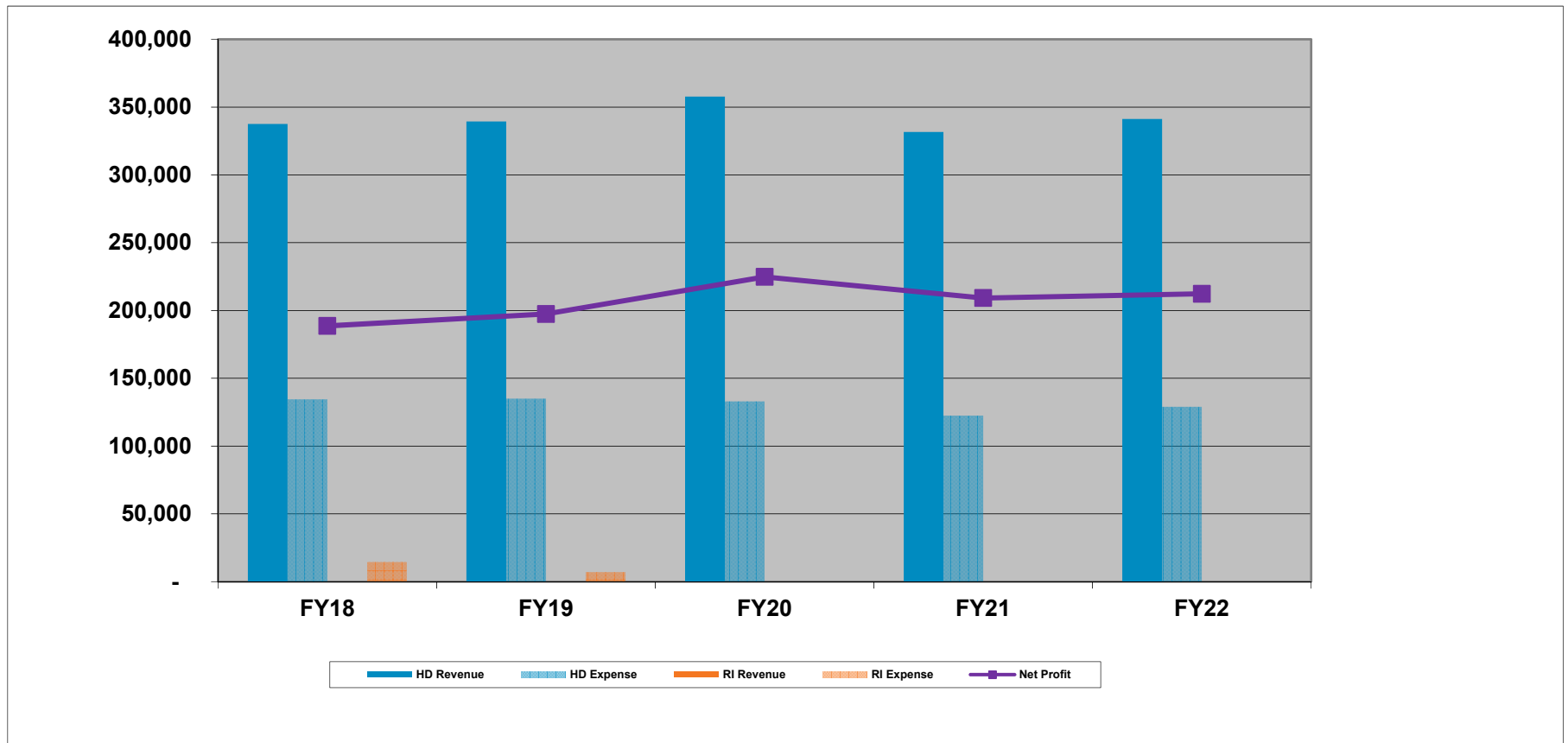
For the Year Ended June 30, 2022

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Budget Variance YTD</u>
Revenue and Support			
Grants and Contracts			
Revenue - Grants/Contracts	340,591	345,000	(4,409)
Revenue - Other	610	1,000	(390)
Total Revenue	<u>\$ 341,201</u>	<u>\$ 346,000</u>	<u>\$ (4,799)</u>
Expense			
Accounting Fees	16,000	18,000	2,000
Consulting Fees	36,000	36,000	0
Supplies Hospitality	72	400	328
Supplies Office/Admin	266	0	(266)
Repair & Maintenance	4,477	4,600	122
Purchased Services Other	0	20	20
Interest	70,291	70,291	0
Insurance	1,404	1,404	0
License Fees	200	150	(50)
Other Direct Expense	198	0	(198)
Total Expenses	<u>\$ 128,908</u>	<u>\$ 130,865</u>	<u>\$ 1,957</u>
Change in Net Assets	<u>\$ 212,293</u>	<u>\$ 215,135</u>	<u>\$ (2,842)</u>

* No activity for Research Institute during the year ended June 30, 2022

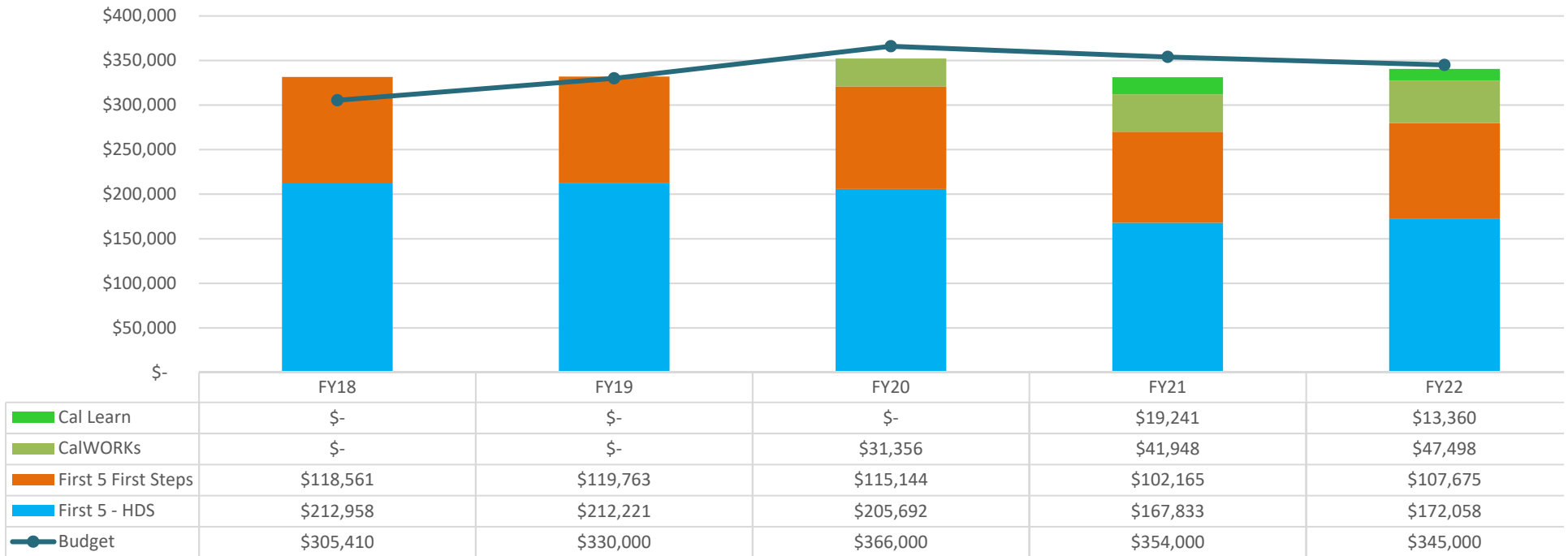
Financial Trend

FY 2018 - FY 2022



Indirect Revenue Sources

FY 2018 – FY 2022



Combined Balance Sheet For the Period Ending October 31, 2022

	Palomar Health Development, Inc.	Research Institute	Total
Assets			
Cash			
Cash in Bank - Operating	1,724,108	0	1,724,108
Cash in Bank-Money Market	257,045	0	257,045
Total Cash	<u>1,981,152</u>	<u>0</u>	<u>1,981,152</u>
Receivables			
Accounts Receivable - Customer	880	0	880
Interfund Receivable	31,585	0	31,585
Total Receivables	<u>32,465</u>	<u>0</u>	<u>32,465</u>
Prepaid Services			
Prepaid Service Contracts	1,556	0	1,556
Total Prepaid Services	<u>1,556</u>	<u>0</u>	<u>1,556</u>
Software License	12,230	2,779	15,008
Accumulated Amortization	(12,230)	(2,779)	(15,008)
Total Assets	<u>\$ 2,015,173</u>	<u>\$ -</u>	<u>\$ 2,015,173</u>
Liabilities & Fund Balance			
Payables			
Accounts Payable - Customer	13,500	0	13,500
Total Payables	<u>13,500</u>	<u>0</u>	<u>13,500</u>
Note Payable - PPH			
Note Payable - PPH	993,167	872,732	1,865,899
Note Payable - Current Portion	120,000	0	120,000
Note Payable - Debt Discount	(214,823)	0	(214,823)
Total Note Payable - PPH	<u>898,343</u>	<u>872,732</u>	<u>1,771,076</u>
Accrued Payables			
Accrued Audit Expense	0	0	0
Total Accrued Payables	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance	<u>1,033,956</u>	<u>(872,732)</u>	<u>161,224</u>
Excess Revenue over Expenditures	69,374	0	69,374
Total Liabilities & Fund Balance	<u>\$ 2,015,173</u>	<u>\$ -</u>	<u>\$ 2,015,173</u>

Income Statement

For the Period Ending October 31, 2022

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Budget Variance YTD</u>
Revenue and Support			
Grants and Contracts			
Revenue - Grants/Contracts	106,510	110,000	(3,490)
Revenue - Other	2,909	40	2,869
Total Revenue	<u>\$ 109,419</u>	<u>\$ 110,040</u>	<u>\$ (621)</u>
Expense			
Accounting Fees	0	6,000	6,000
Consulting Fees	14,000	12,000	(2,000)
Supplies Hospitality	0	133	133
Repair & Maintenance	1,556	1,657	101
Purchased Services Other	0	7	7
Interest	23,065	23,065	0
Insurance	1,404	468	(936)
License Fees	0	67	67
Other Direct Expense	20	0	(20)
Total Expenses	<u>\$ 40,045</u>	<u>\$ 43,397</u>	<u>\$ 3,352</u>
Change in Net Assets	<u>\$ 69,374</u>	<u>\$ 66,643</u>	<u>\$ 2,731</u>

* No activity for Research Institute during period ending October 31, 2022

October 2022 FYTD Indirect Revenue Sources

