

# Fallbrook Regional HEALTH DISTRICT

138 S. Brandon St. • Fallbrook CA 92028 • 760-731-9187

## BOARD OF DIRECTORS REGULAR BOARD MEETING

WEDNESDAY  
OCTOBER 10, 2018

6:00 PM

AT

**NEW MEETING LOCATION**  
**FALLBROOK WELLNESS CENTER**  
**1636 EAST MISSION ROAD**  
**FALLBROOK, CA 92028**



**AGENDA**  
**FALLBROOK REGIONAL HEALTH DISTRICT**  
**REGULAR BOARD MEETING**  
**Wednesday, October 10, 2018, 6:00 p.m.**  
**NEW MEETING LOCATION**  
**Fallbrook Wellness Center, 1636 E. Mission Rd., Fallbrook**

**A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE**

**B. ADDITIONS TO AGENDA**

Pursuant to the Brown Act, additions to the Agenda as posted are exceptional, and expressly limited to three specific situations, as set forth in Government Code 54954.2(b): (1) an "emergency" as determined by majority vote of the board; (2) a 2/3 vote of the board finding that an item requires immediate action – and the need for this action arose in time after the agenda was posted or (3) the item was continued from an earlier meeting (no more than 5 days earlier), at which time the item was validly posted on the agenda of the earlier meeting.

**C. BOARD MEMBER AND PUBLIC COMMENTS**

Opportunity for board members and citizens to speak on items of interest within subject matter jurisdiction of the District. For the record, please state your name. "Request to speak" cards should be filled out in advance and presented to the Board President or the recording secretary. The Board has a policy limiting any speaker to not more than five minutes

**D. CONSENT ITEMS**

- D1. Approval of August 2018 Financial Statements
- D2. Minutes of September 5, 2018 Finance Committee Meeting
- D3. Minutes of September 12, 2018 Regular Board Meeting

**E. REPORTS**

- E1. Finance Committee – Committee of the Whole, Chair: Director Mroz
- E2. Gov't/Public Relation/Community Relations Committee – Directors Salmon and Tinker
- E3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon
- E4. Chief Executive Officer – Bobbi Palmer MBA MSW
- E5. General Counsel – Blaise Jackson

**F. DISCUSSION/ACTION ITEMS**

- F1. FY 2017-2018 Independent Auditor's Report – Fechter & Company Certified Public Accountants

**G. ITEMS FOR SUBSEQUENT MEETINGS**

- G1. Other Director/Staff discussion items
  - G1a. Item(s) for future board agendas
  - G1b. Announcements of upcoming events:
    - Community Collaborative for Health & Wellness Committee (CCH&W) meeting – 3<sup>rd</sup> Wednesday, October 17, 10:00-11:30am, Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd., Fallbrook
    - Fallbrook Harvest Faire 2018 – Sunday, October 28, 2018, 9:00am-4:00pm, Main Avenue, Downtown Fallbrook
    - Woman of Wellness – Thursday, November 1, 6pm – Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd., Fallbrook
    - NCCCHI meeting – 1<sup>st</sup> Wednesday, November 7, 2:00-3:00pm, Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd. Fallbrook

- Finance Committee of the Whole meeting – 1<sup>st</sup> Wednesday, November 7, 5:00pm Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd. Fallbrook
- Wellness Advisory Committee meeting – 2<sup>nd</sup> Wednesday, November 14, 5:00-6:00pm, Fallbrook Wellness Center, Community Room, 1636 E. Mission Rd., Fallbrook

G2. Next Regular Board meeting – Wednesday, November 14, 2018, Fallbrook Wellness Center, 1636 E. Mission Rd., Fallbrook

**H. CLOSED SESSION**

- H1. Personnel Matters Pursuant to Government Code Section 54957 – Evaluation of Chief Executive Officer
- H2. Conference with Legal Counsel Concerning Exposure to Litigation Pursuant to Gov't Code 54956.9(d)(2) – one case

**I. RETURN TO OPEN SESSION**

**J. ADJOURNMENT**

**NOTE:** This agenda posted at the Fallbrook Regional Health District Administration Office on Friday, October 5, 2018. The American with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of District business. If you need assistance to participate in this meeting, please contact the District office 24 hours prior to the meeting at 760-731-9187.



Board Secretary/Clerk

## **CONSENT ITEMS**

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**BALANCE SHEET COMPARISON**  
Comparison of August 2018 to July 2018

	Aug 31, 18	Jul 31, 18	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Checking/Savings</b>			
102.2 · Cash in Bank - Operating	579,305.53	645,464.20	(66,158.67)
102.6 · Cash in Bank -LAIF	1,472,559.33	1,472,559.33	0.00
102.9 · Cal Trust Investment Account	6,751,575.65	6,725,890.53	25,685.12
102.91 · Petty Cash	311.81	311.81	0.00
<b>Total Checking/Savings</b>	<b>8,803,752.32</b>	<b>8,844,225.87</b>	<b>(40,473.55)</b>
<b>Other Current Assets</b>			
104 · Prepaid Insurance	16,725.39	18,432.15	(1,706.76)
107 · Tax apportion receivable	11,303.72	29,034.48	(17,730.76)
<b>Total Other Current Assets</b>	<b>28,029.11</b>	<b>47,466.63</b>	<b>(19,437.52)</b>
<b>Total Current Assets</b>	<b>8,831,781.43</b>	<b>8,891,692.50</b>	<b>(59,911.07)</b>
<b>Fixed Assets</b>			
121 · Equipment	53,575.54	53,575.54	0.00
121.2 · Equipment Depreciation	(23,296.78)	(22,694.28)	(602.50)
<b>122.0 · ASSETS HELD FOR RESALE</b>			
122.01 · ALVARADO STREET	291,240.00	291,240.00	0.00
122.011 · ALVARADO FMV Appraisal 2018	358,760.00	358,760.00	0.00
122.02 · BRANDON ROAD - ADMIN BLDG	291,240.00	291,240.00	0.00
122.021 · BRANDON FMV Appraisal 2018	508,760.00	508,760.00	0.00
122.03 · E MISSION ROAD	180,1418.86	180,1418.86	0.00
<b>Total 122.0 · ASSETS HELD FOR RESALE</b>	<b>3,251,418.86</b>	<b>3,251,418.86</b>	<b>0.00</b>
<b>Total Fixed Assets</b>	<b>3,281,697.62</b>	<b>3,282,300.12</b>	<b>(602.50)</b>
<b>TOTAL ASSETS</b>	<b>12113479.05</b>	<b>12173992.62</b>	<b>(60,513.57)</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Accounts Payable</b>			
140 · Accounts Payable	22,985.10	34,417.84	(11,432.74)
<b>Total Accounts Payable</b>	<b>22,985.10</b>	<b>34,417.84</b>	<b>(11,432.74)</b>
<b>Credit Cards</b>			
150. · American Express			
150.2 - American Express 42005	713.80	(6,527.31)	7,241.11
150.1 · American Express 41007	1,375.25	1,375.25	0.00
<b>Total 150. · American Express</b>	<b>2,089.05</b>	<b>(5,152.06)</b>	<b>7,241.11</b>
<b>Total Credit Cards</b>	<b>2,089.05</b>	<b>(5,152.06)</b>	<b>7,241.11</b>
<b>Other Current Liabilities</b>			
204 · Accrued Vacation & Sick Leave	30,361.79	30,361.79	0.00
215 · District Wellness Initiatives	14,951.51	22,512.69	(7,561.18)
<b>Total Other Current Liabilities</b>	<b>45,313.30</b>	<b>52,874.48</b>	<b>(7,561.18)</b>
<b>Total Current Liabilities</b>	<b>70,387.45</b>	<b>82,140.26</b>	<b>(11,752.81)</b>
<b>Total Liabilities</b>	<b>70,387.45</b>	<b>82,140.26</b>	<b>(11,752.81)</b>
<b>Equity</b>			
300 · Unrestricted Operations Fund	1,722,196.68	1,722,196.68	0.00

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**BALANCE SHEET COMPARISON**  
 Comparison of August 2018 to July 2018

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	Aug 31, 18	Jul 31, 18	\$ Change
301 · Adjustment for FMV Appraisals	867,520.00	867,520.00	0.00
302.2 · Community Investment Fund	9,843,462.82	9,843,462.82	0.00
Net Income	(390,087.90)	(341,327.14)	(48,760.76)
Total Equity	12043091.60	12091852.36	(48,760.76)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>12113479.05</b>	<b>12173992.62</b>	<b>(60,513.57)</b>

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Income Statement**  
**For the Month Ended August 31, 2018 & Fiscal Year to Date**

	Aug 18	Jul - Aug 18
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
<b>400. · District</b>		
402 · Property tax revenue	11,304	40,338
403 · Interest / Dividends	12,084	24,266
406 · Unearned Inc (Loss) - Cal Trust	13,601	6,813
<b>Total 400. · District</b>	<b>36,989</b>	<b>71,417</b>
<b>460 · Lease Income</b>		
460.01 · Med+ Urgent Care (formerly A+)	4,800	9,600
<b>Total 460 · Lease Income</b>	<b>4,800</b>	<b>9,600</b>
<b>Total Income</b>	<b>41,789</b>	<b>81,017</b>
<b>Gross Profit</b>	<b>41,789</b>	<b>81,017</b>
<b>Expense</b>		
<b>500 · Admin. Expenses &amp; Overhead</b>		
500.10 · Salaries	24,262	48,523
500.12 · Payroll Taxes	2,343	4,306
500.14 · W/C Insurance	126	251
500.15 · Employee Health & Welfare	1,359	3,263
500.16 · Board Stipends	1,300	2,700
500.17 · Education & Conferences	324	6,061
500.18 · Dues & Subscriptions		7,725
500.19 · Insurance - General	1,581	3,162
500.20 · Independent Accounting Services	850	1,700
500.21 · Annual Independent Audit	8,176	8,176
500.23 · General Counsel	3,290	5,985
<b>500.25 · Office Expense</b>		
01 · Communications	2,000	2,348
02 · I.T. and Website services	400	1,650
03 · Refreshments		615
04 · Office Expenses	839	2,907
05 · LAFCO Admin fees		1,367
06 · Independent Contract Services	4,489	8,798
<b>Total 500.25 · Office Expense</b>	<b>7,728</b>	<b>17,684</b>
500.27 · Depreciation	603	1,346
500.29 · Dist Promotions & Publications	3,370	4,234
500.32 · Consultant Fees		750
500.33 · Copier Lease	946	1,724
<b>Total 500 · Admin. Expenses &amp; Overhead</b>	<b>56,255</b>	<b>117,591</b>
<b>530 · Blue Zone Designation</b>		
530.21 · Consultants	3,000	31,000
<b>Total 530 · Blue Zone Designation</b>	<b>3,000</b>	<b>31,000</b>
<b>550 · Mgmt./Maint. - Alvarado Street</b>		
550.07 · Custodial Services		125
550.10 · Maintenance Services & Repairs	125	412

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**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Income Statement**  
**For the Month Ended August 31, 2018 & Fiscal Year to Date**

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	Aug 18	Jul - Aug 18
550.23 · General Counsel		438
<b>Total 550 · Mgmt./Maint. - Alvarado Street</b>	<b>125</b>	<b>975</b>
<b>570 · Mgmt./Maint. - E. Mission Road</b>		
570.02 · Gas & Electric	409	1,365
570.03 · Water	521	990
570.04 · Waste Management	58	58
570.06 · Landscape - Grounds Environment	350	350
570.07 · Custodial Services		115
570.12 · Fire Alarm System	480	1,138
570.25 · Office Expense		
25.04 · Office Expenses	744	3,936
25.06 · Independent Contract Services	5,683	12,264
<b>Total 570.25 · Office Expense</b>	<b>6,427</b>	<b>16,200</b>
570.29 · Dist. Promotions & Publications	4,393	4,493
570.32 · Consultant Fees	3,000	6,000
<b>Total 570 · Mgmt./Maint. - E. Mission Road</b>	<b>15,638</b>	<b>30,710</b>
<b>590 · Mgmt./Maint. - S. Brandon Road</b>		
590.02 · Gas & Electric	1,591	2,864
590.03 · Water	194	388
590.04 · Waste Management	74	74
590.06 · Landscape - Grounds Environment	400	800
590.07 · Custodial Services	540	1,620
590.08 · Elevator	373	555
590.10 · Maintenance Services & Repairs	125	250
590.11 · Medical Records Store & Service	2,235	5,096
590.12 · Fire Alarm System		781
<b>Total 590 · Mgmt./Maint. - S. Brandon Road</b>	<b>5,532</b>	<b>12,427</b>
<b>600 · Community Health Contracts</b>		
600.02 · Fbk Citizens Crime Prevention		2,625
600.04 · Boys & Girls Club		18,428
600.05 · Community Health Systems, Inc.		26,250
600.06 · Fallbrook Land Conservancy		10,000
600.07 · Fbk Senior Citizens Svc Club		19,688
600.08 · Fallbrook Smiles Project		18,769
600.09 · Fallbrook Union H. S. District		5,000
600.11 · Palomar Family Counseling Svc		20,738
600.17 · Foundation for Senior Care		54,882
600.18 · Fallbrook Food Pantry		50,000
600.33 · REINS Therapeutic Prgm		17,063
600.46 · Mental Health Systems, Inc.		2,428
600.53 · Jeremiah's Ranch		3,872
600.54 · Healthy Adventures Foundation		2,363
600.58 · Michelle's Place		6,300
<b>Total 600 · Community Health Contracts</b>		<b>258,403</b>
<b>800 · District Direct Care Services</b>		



**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Income Statement**  
**For the Month Ended August 31, 2018 & Fiscal Year to Date**

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	<u>Aug 18</u>	<u>Jul - Aug 18</u>
800.02 · Med+ Urgent Care	10,000	20,000
Total 800 · District Direct Care Services	10,000	20,000
Total Expense	90,550	471,105
Net Ordinary Income	(48,761)	(390,088)
Net Income	<u>(48,761)</u>	<u>(390,088)</u>

# FALLBROOK REGIONAL HEALTH DISTRICT

## Profit & Loss Actual vs Budget

July 2018 through June 2019

	Aug 18	Budget	\$ Over ...
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
400. · District			
402 · Property tax revenue	11,304	38,328	(27,024)
403 · Interest / Dividends	12,084	10,417	1,667
406 · Unearned Inc (Loss) - Cal Trust	13,601	0	13,601
<b>Total 400. · District</b>	<b>36,989</b>	<b>48,745</b>	<b>(11,756)</b>
460 · Lease Income			
460.01 · Med+ Urgent Care (formerly A+)	4,800	4,800	0
<b>Total 460 · Lease Income</b>	<b>4,800</b>	<b>4,800</b>	<b>0</b>
<b>Total Income</b>	<b>41,789</b>	<b>53,545</b>	<b>(11,756)</b>
<b>Gross Profit</b>	<b>41,789</b>	<b>53,545</b>	<b>(11,756)</b>
<b>Expense</b>			
500 · Admin. Expenses & Overhead			
500.10 · Salaries	24,262	22,917	1,345
500.12 · Payroll Taxes	2,343	1,917	426
500.14 · W/C Insurance	126	126	(0)
500.15 · Employee Health & Welfare	1,359	1,250	109
500.16 · Board Stipends	1,300	1,750	(450)
500.17 · Education & Conferences	324	1,542	(1,218)
500.18 · Dues & Subscriptions	0	1,167	(1,167)
500.19 · Insurance - General	1,581	1,581	(0)
500.20 · Independent Accounting Services	850	850	0
500.21 · Annual Independent Audit	8,176	8,850	(674)
500.23 · General Counsel	3,290	3,750	(460)
500.25 · Office Expense			
01 · Communications	2,000	304	1,695
02 · I.T. and Website services	400	917	(517)
03 · Refreshments	0	208	(208)
04 · Office Expenses	839	1,308	(469)
05 · LAFCO Admin fees	0	114	(114)
06 · Independent Contract Services	4,489	5,000	(511)
<b>Total 500.25 · Office Expense</b>	<b>7,728</b>	<b>7,851</b>	<b>(123)</b>
500.27 · Depreciation	603	429	173
500.29 · Dist Promotions & Publications	3,370	3,188	182
500.32 · Consultant Fees	0	8,563	(8,563)
500.33 · Copier Lease	946	833	113
500.40 · Video/AV Equipment	0	417	(417)
<b>Total 500 · Admin. Expenses &amp; Overhead</b>	<b>56,255</b>	<b>66,979</b>	<b>(10,723)</b>
530 · Blue Zone Designation			
530.21 · Consultants	3,000		
<b>Total 530 · Blue Zone Designation</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>
550 · Mgmt./Maint. - Alvarado Street			
550.10 · Maintenance Services & Repairs	125		
<b>Total 550 · Mgmt./Maint. - Alvarado Street</b>	<b>125</b>		
570 · Mgmt./Maint. - E. Mission Road			
570.02 · Gas & Electric	409	1,333	(924)

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# FALLBROOK REGIONAL HEALTH DISTRICT

## Profit & Loss Actual vs Budget

July 2018 through June 2019

	Aug 18	Budget	\$ Over ...
570.03 · Water	521	250	271
570.04 · Waste Management	58	83	(25)
570.06 · Landscape - Grounds Environment	350	1,000	(650)
570.07 · Custodial Services	0	500	(500)
570.10 · Maintenance Services & Repairs	0	417	(417)
570.12 · Fire Alarm System	480		
570.25 · Office Expense			
25.02 · I.T. & Website Services	0	250	(250)
25.04 · Office Expenses	744	1,000	(256)
25.06 · Independent Contract Services	5,683	3,750	1,933
<b>Total 570.25 · Office Expense</b>	<b>6,427</b>	<b>5,000</b>	<b>1,427</b>
570.29 · Dist. Promotions & Publications	4,393	833	3,560
570.32 · Consultant Fees	3,000	1,250	1,750
<b>Total 570 · Mgmt./Maint. - E. Mission Road</b>	<b>15,638</b>	<b>10,667</b>	<b>4,971</b>
590 · Mgmt./Maint. - S. Brandon Road			
590.01 · Property Manager	0	2,083	(2,083)
590.02 · Gas & Electric	1,591	1,667	(76)
590.03 · Water	194	917	(722)
590.04 · Waste Management	74	142	(68)
590.06 · Landscape - Grounds Environment	400	838	(438)
590.07 · Custodial Services	540	780	(240)
590.08 · Elevator	373	250	123
590.09 · Vehicle Expenses	0	33	(33)
590.10 · Maintenance Services & Repairs	125	417	(292)
590.11 · Medical Records Store & Service	2,235	2,500	(265)
590.12 · Fire Alarm System	0	208	(208)
<b>Total 590 · Mgmt./Maint. - S. Brandon Road</b>	<b>5,532</b>	<b>9,834</b>	<b>(4,303)</b>
800 · District Direct Care Services			
800.02 · Med+ Urgent Care	10,000	10,000	0
<b>Total 800 · District Direct Care Services</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>
<b>Total Expense</b>	<b>90,550</b>	<b>97,480</b>	<b>(6,930)</b>
<b>Net Ordinary Income</b>	<b>(48,761)</b>	<b>(43,935)</b>	<b>(4,826)</b>
<b>Net Income</b>	<b>(48,761)</b>	<b>(43,935)</b>	<b>(4,826)</b>

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Profit & Loss Budget Overview**  
 July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL Jul '18 - Jun 19
<b>Ordinary Income/Expense</b>													
<b>Income</b>													
<b>400 · District</b>													
402 · Property tax revenue	29,432	38,328	42,990	98,729	710,000	475,000	47,635	415,000	22,500	25,510	88,967	62,285	2,056,376
403 · Interest / Dividends	10,417	10,417	10,416	10,417	10,416	10,416	10,417	10,417	10,416	10,417	10,417	10,417	125,000
<b>Total 400 · District</b>	39,849	48,745	53,406	109,146	720,416	485,416	58,052	425,417	32,916	35,927	99,384	72,702	2,181,376
<b>460 · Lease Income</b>													
460.01 · Med+ Urgent Care (formerly A+)	4,800	4,800	4,800	4,800	4,800	4,800	0	0	0	0	0	0	28,800
<b>Total 460 · Lease Income</b>	4,800	4,800	4,800	4,800	4,800	4,800	0	0	0	0	0	0	28,800
<b>Total Income</b>	44,649	53,545	58,206	113,946	725,216	490,216	58,052	425,417	32,916	35,927	99,384	72,702	2,210,176
<b>Gross Profit</b>	44,649	53,545	58,206	113,946	725,216	490,216	58,052	425,417	32,916	35,927	99,384	72,702	2,210,176
<b>Expense</b>													
<b>500 · Admin. Expenses &amp; Overhead</b>													
500.10 · Salaries	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917	275,000
500.12 · Payroll Taxes	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	23,000
500.14 · W/C Insurance	126	126	126	126	126	126	126	126	126	126	126	126	1,507
500.15 · Employee Health & Welfare	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
500.16 · Board Stipends	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
500.17 · Education & Conferences	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	1,542	18,500
500.18 · Dues & Subscriptions	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	14,000
500.19 · Insurance - General	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	18,975
500.20 · Independent Accounting Services	850	850	850	850	850	850	850	850	850	850	850	850	10,200
500.21 · Annual Independent Audit	0	8,850	0	0	0	0	0	0	0	0	0	0	8,850
500.23 · General Counsel	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
500.25 · Office Expense													
01 · Communications	304	304	304	304	304	304	304	304	304	304	304	304	3,650
02 · I.T. and Website services	917	917	917	917	917	917	917	917	917	917	917	917	11,000
03 · Refreshments	208	208	208	208	208	208	208	208	208	208	208	208	2,500
04 · Office Expenses	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	15,700
05 · LAFCO Admin fees	114	114	114	114	114	114	114	114	114	114	114	114	1,367
06 · Independent Contract Services	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
<b>Total 500.25 · Office Expense</b>	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	7,851	94,217
500.27 · Depreciation	429	429	429	429	429	429	429	429	429	429	429	429	5,151
500.29 · Dist Promotions & Publications	3,188	3,188	3,188	3,188	3,188	3,188	3,188	3,188	3,188	3,188	3,188	3,188	38,250
500.32 · Consultant Fees	8,563	8,563	8,563	8,563	8,563	8,563	8,563	8,563	8,563	8,563	8,563	8,563	102,750
500.33 · Copier Lease	833	833	833	833	833	833	834	833	834	833	834	834	10,000
500.36 · Accrued Vacation & Sick Leave	0	0	2,500	0	0	2,500	0	0	2,500	0	0	2,500	10,000
500.40 · Video/AV Equipment	417	417	417	417	417	417	417	417	417	417	417	417	5,000
580.01 · General Election	0	0	16,500	0	0	0	0	0	0	0	0	0	16,500
<b>Total 500 · Admin. Expenses &amp; Overhead</b>	58,129	66,979	77,129	58,129	58,129	60,629	58,130	58,129	60,630	58,129	58,130	60,630	732,900
<b>570 · Mgmt./Maint. - E. Mission Road</b>													
570.02 · Gas & Electric	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	16,000
570.03 · Water	250	250	250	250	250	250	250	250	250	250	250	250	3,000
570.04 · Waste Management	83	83	83	83	83	83	83	83	83	83	83	83	1,000
570.06 · Landscape - Grounds Environment	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
570.07 · Custodial Services	500	500	500	500	500	500	500	500	500	500	500	500	6,000
570.10 · Maintenance Services & Repairs	417	417	417	417	417	417	417	417	417	417	417	417	5,000
570.25 · Office Expense													
25.02 · I.T. & Website Services	250	250	250	250	250	250	250	250	250	250	250	250	3,000
25.04 · Office Expenses	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
25.06 · Independent Contract Services	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
<b>Total 570.25 · Office Expense</b>	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
570.29 · Dist. Promotions & Publications	833	833	833	833	833	833	833	833	833	833	833	833	10,000
570.32 · Consultant Fees	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
<b>Total 570 · Mgmt./Maint. - E. Mission Road</b>	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	128,000

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Profit & Loss Budget Overview**  
 July 2018 through June 2019

	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	TOTAL Jul '18 - Jun 19
<b>590 · Mgmt./Maint. - S. Brandon Road</b>													
590.01 · Property Manager	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000
590.02 · Gas & Electric	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
590.03 · Water	917	917	917	917	917	917	917	917	917	917	917	917	11,000
590.04 · Waste Management	142	142	142	142	142	142	142	142	142	142	142	142	1,700
590.06 · Landscape - Grounds Environment	838	838	838	838	838	838	838	838	838	838	838	838	10,050
590.07 · Custodial Services	780	780	780	780	780	780	780	780	780	780	780	780	9,360
590.08 · Elevator	250	250	250	250	250	250	250	250	250	250	250	250	3,000
590.09 · Vehicle Expenses	33	33	33	33	33	33	33	33	33	33	33	33	400
590.10 · Maintenance Services & Repairs	417	417	417	417	417	417	417	417	417	417	417	417	5,000
590.11 · Medical Records Store & Service	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
590.12 · Fire Alarm System	208	208	208	208	208	208	208	208	208	208	208	208	2,500
<b>Total 590 · Mgmt./Maint. - S. Brandon Road</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>9,834</b>	<b>118,010</b>
<b>600 · Community Health Contracts</b>													
600.02 · Fbk Citizens Crime Prevention	2,625	0	0	0	2,625	0	0	2,625	0	0	2,625	0	10,500
600.04 · Boys & Girls Club	18,428	0	0	0	9,188	0	0	9,188	0	0	9,188	0	45,990
600.05 · Community Health Systems, Inc.	26,250	0	0	0	26,250	0	0	26,250	0	0	26,250	0	105,000
600.06 · Fallbrook Land Conservancy	10,000	0	0	0	0	0	0	0	0	0	0	0	10,000
600.07 · Fbk Senior Citizens Srvc Club	19,688	0	0	0	19,688	0	0	19,688	0	0	19,688	0	78,750
600.08 · Fallbrook Smiles Project	18,769	0	0	0	18,769	0	0	18,769	0	0	18,769	0	75,075
600.09 · Fallbrook Union H. S. District	5,000	0	0	0	5,000	0	0	5,000	0	0	5,000	0	20,000
600.11 · Palomar Family Counseling Srvc	20,738	0	0	0	20,738	0	0	20,738	0	0	20,738	0	82,950
600.17 · Foundation for Senior Care	54,882	0	0	0	54,882	0	0	54,882	0	0	54,882	0	219,527
600.18 · Fallbrook Food Pantry	50,000	0	0	0	25,200	0	0	25,200	0	0	25,200	0	125,600
600.33 · REINS Therapeutic Prgm	17,063	0	0	0	17,063	0	0	17,063	0	0	17,063	0	68,250
600.46 · Mental Health Systems, Inc.	2,428	0	0	0	2,428	0	0	2,428	0	0	2,428	0	9,711
600.48 · UCSD Eye Mobile for Children	0	0	0	0	2,975	0	0	2,975	0	0	2,975	0	8,925
600.53 · Jeremiah's Ranch	3,872	0	0	0	3,872	0	0	3,872	0	0	3,872	0	15,488
600.54 · Healthy Adventures Foundation	2,363	0	0	0	2,363	0	0	2,363	0	0	2,363	0	9,450
600.57 · NC Fire Protection District	0	0	0	0	0	0	0	25,000	0	0	0	0	25,000
600.58 · Michelle's Place	6,300	0	0	0	6,300	0	0	6,300	0	0	6,300	0	25,200
<b>Total 600 · Community Health Contracts</b>	<b>258,403</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>217,338</b>	<b>0</b>	<b>0</b>	<b>242,338</b>	<b>0</b>	<b>0</b>	<b>217,338</b>	<b>0</b>	<b>935,416</b>
<b>800 · District Direct Care Services</b>													
800.02 · Med+ Urgent Care	10,000	10,000	10,000	10,000	10,000	10,000	0	0	0	0	0	0	60,000
<b>Total 800 · District Direct Care Services</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,000</b>
<b>Total Expense</b>	<b>347,032</b>	<b>97,480</b>	<b>107,630</b>	<b>88,630</b>	<b>305,967</b>	<b>91,130</b>	<b>78,631</b>	<b>320,967</b>	<b>81,131</b>	<b>78,630</b>	<b>295,968</b>	<b>81,131</b>	<b>1,974,326</b>
<b>Net Ordinary Income</b>	<b>(302,383)</b>	<b>(43,935)</b>	<b>(49,424)</b>	<b>25,316</b>	<b>419,249</b>	<b>399,086</b>	<b>(20,579)</b>	<b>104,450</b>	<b>(48,215)</b>	<b>(42,703)</b>	<b>(196,584)</b>	<b>(8,429)</b>	<b>235,850</b>
<b>Net Income</b>	<b>(302,383)</b>	<b>(43,935)</b>	<b>(49,424)</b>	<b>25,316</b>	<b>419,249</b>	<b>399,086</b>	<b>(20,579)</b>	<b>104,450</b>	<b>(48,215)</b>	<b>(42,703)</b>	<b>(196,584)</b>	<b>(8,429)</b>	<b>235,850</b>

Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
September 10,  
2018

FALLBROOK HEALTHCARE DISTRICT

ADMINISTRATOR  
P.O. BOX 2587  
FALLBROOK, CA 92088

PMIA Average Monthly Yields

**Account Number:**

Tran Type Definitions

August 2018 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,472,559.33
Total Withdrawal:	0.00	Ending Balance:	1,472,559.33



CalTRUST  
 c/o Gemini Fund Services LLC  
 PO Box 541150  
 Omaha, NE 68154-9150  
 www.caltrust.org  
 Email: CalTRUSTSupport@thegeminicompanies.com  
 Fax: 402-963-9094  
 Phone: 833-CALTRUST (225-8787)

## Investment Account Summary

08/01/2018 through 08/31/2018

### SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Aug 31 (\$)	Value on Aug 31 (\$)	Average Cost Amount (\$)	Cumulative Unrealized Gain/(Loss) (\$)
<b>FALLBROOK REGIONAL HEALTH DISTRICT</b>						
CalTRUST Medium Term Fund		681,289.168	9.91	6,751,575.65	6,832,825.39	(81,249.74)
<b>Portfolios Total value as of 08/31/2018</b>				<b>6,751,575.65</b>		

### DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
<b>CalTRUST Medium Term Fund</b>		<b>FALLBROOK REGIONAL HEALTH DISTRICT</b>				<b>Account Number: 1</b>		
Beginning Balance	08/01/2018			680,069.821	9.89	6,725,890.53		
Accrual Income Div Reinvestment	08/31/2018	12,083.73	1,219.347	681,289.168	9.91	6,751,575.65	0.00	0.00
Unrealized Gain/(Loss)						13,601.39		
<b>Closing Balance as of</b>	<b>Aug 31</b>			<b>681,289.168</b>	<b>9.91</b>	<b>6,751,575.65</b>		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

**FALLBROOK REGIONAL HEALTH DISTRICT**  
**Property Tax Revenue - Fiscal Year to Date**  
 July 2018 through June 2019

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<u>Type</u>	<u>Date</u>	<u>Name</u>	<u>Amount</u>	<u>Balance</u>
<b>400. · District</b>				
<b>402 · Property tax revenue</b>				
Gener...	07/31/18		29,034.48	29,034.48
Gener...	08/31/18		11,303.72	40,338.20
Total 402 · Property tax revenue			40,338.20	40,338.20
Total 400. · District			40,338.20	40,338.20
<b>TOTAL</b>			<b>40,338.20</b>	<b>40,338.20</b>



FALLBROOK REGIONAL HEALTH DISTRICT  
Check Detail Report - August 2018

Type	Date	Num	Name	Memo	Amount
102.2	Cash in	Bank -	Operating		
Che...	08/01/18	9947	Pamela Knox	REIMBURSEMENTS - W...	-172.89
Bill ...	08/01/18	9948	ACHD	2018 ACHD: Evolution thr...	-800.00
Bill ...	08/01/18	9949	Aztec Cleaning & Mai...	Office cleaning - Inv. 055...	-180.00
Bill ...	08/01/18	9950	Galvanized Strategie...	Retainer - Community en...	-6,000.00
Bill ...	08/01/18	9951	Holloway Computers	Invoice 6810 - set up new...	-1,050.00
Bill ...	08/01/18	9952	Jim's Sign Shop	Inv. 10001B; Banner for F...	-301.70
Bill ...	08/01/18	9953	L & M Enterprises, Inc.	Bookkeeping 6/27-7/30/18	-4,308.75
Bill ...	08/01/18	9954	Pitney Bowes - Lease	0018137865	-77.32
Bill ...	08/01/18	9955	SDG&E - East Missio...	5182 613 597 1	-356.14
Bill ...	08/01/18	9956	SDG&E FHD - 6994	40605976994	-1,273.28
Bill ...	08/01/18	9957	Jim's Sign Shop	Inv. 10000B; 4 "Prevent th...	-488.06
Che...	08/03/18	9958	Mireya Banuelos	Reimbursment-7/12/18 lu...	-29.21
Bill ...	08/06/18	9959	Apple One Staffing	00102494-0000	-1,071.88
Bill ...	08/06/18	9960	Fallbrook Waste - FH...	20-T1 441078	-73.50
Bill ...	08/06/18	9961	Kathleen Bogle		-1,600.00
Bill ...	08/06/18	9962	Payne, Jonathan	Inv. 228801; moving and ...	-280.00
Bill ...	08/06/18	9963	Scott & Jackson Esq.	Professional services 201...	-3,132.50
Che...	08/08/18	9964	L & M Enterprises, Inc.	REIMBURSEMENTS - Mil...	-67.87
Bill ...	08/08/18	9965	American Express - ...	0-41007	-8,827.75
Bill ...	08/08/18	9966	Aztec Cleaning & Mai...	Office cleaning 8/7/18	-180.00
Bill ...	08/08/18	9967	Iron Mountain-153	CHSRM	-1,623.00
Bill ...	08/08/18	9968	Iron Mountain SX-302	SX302/Fallbrook Hosp.	-1,024.44
Bill ...	08/08/18	9969	SDG&E - East Missio...	5182 613 597 1	-600.00
Che...	08/13/18	9981	Bobbi Palmer	Reimbursment: mileage t...	-50.93
Che...	08/13/18	9982	Mireya Banuelos	Reimbursment- \$40 gift c...	-44.30
Bill ...	08/13/18	9983	Ascent Elevator Servi...		-373.00
Bill ...	08/13/18	9984	AT&T U-Verse - com...	146524365	-75.20
Bill ...	08/13/18	9985	Employment Develop...	Ltr. ID L1439164320; Acc...	-875.00
Bill ...	08/13/18	9986	Fallbrook Chamber o...	10/28/18 Fallbrook Harve...	-60.00
Bill ...	08/13/18	9987	Palomar Mountain Pr...	45919	-44.97
Bill ...	08/13/18	9988	Payne, Jonathan	Inv. 228803; remove cros...	-600.00
Bill ...	08/13/18	9989	Purchase Power (Pit...	8000909009769550	-201.00
Bill ...	08/13/18	9990	Termin-8 Pest Control	Inv. 113147 & 113148	-250.00
Bill ...	08/13/18	9991	TRL Systems, Inc.	Inv. 428047	-480.00
Che...	08/13/18	9970		VOID:PRINTER MALFUN...	0.00
Che...	08/13/18	9971		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9972		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9973		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9974		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9975		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9976		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9977		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9978		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9979		VOID: PRINTER MALFU...	0.00
Che...	08/13/18	9980		VOID: PRINTER MALFU...	0.00
Che...	08/15/18	9997	William Leach	REIMBURSEMENTS for ...	-323.61
Bill ...	08/15/18	9992	Aztec Cleaning & Mai...	Office cleaning - Inv. 055...	-180.00
Bill ...	08/15/18	9993	Glennie's Office Prod...	7/31/18 stmt.; 4 invoices	-1,226.83
Bill ...	08/15/18	9994	Village News	Inv. 30638	-758.00
Bill ...	08/15/18	9995	Fallbrook Fertilizer, F...	Inv. 511336	-247.14
Bill ...	08/15/18	9996	Village News	1641	-990.00
Bill ...	08/22/18	9998	Aztec Cleaning & Mai...	Office cleaning - Inv. 055...	-180.00
Bill ...	08/22/18	9999	Fallbrook Waste - 44...	Account No. 20-T1 446183	-58.07
Bill ...	08/22/18	10000	Fechter & Company, ...	2017-18 Audit completion...	-8,176.00
Bill ...	08/22/18	10001	Holloway Computers	Invoice 6825 - set up wirel...	-400.00

Type	Date	Num	Name	Memo	Amount
Bill ...	08/22/18	10002	Jim's Sign Shop	Inv. 10061B; 4 banners fo...	-1,159.40
Bill ...	08/22/18	10003	Konica Minolta Leasi...	061-0116888-000	-945.62
Bill ...	08/22/18	10004	Palomar Mountain Pr...	45919	-608.40
Bill ...	08/22/18	10005	Touchbase	344664	-57.69
Bill ...	08/22/18	10006	Apple One Staffing	00102494-0000	-992.88
Bill ...	08/22/18	10007	Jim's Sign Shop		-1,101.27
Bill ...	08/22/18	10008	Rainbow Signs	50% Deposit Required for...	-611.50
Che...	08/29/18	10009	A+ Urgent Care, Inc.	August 2018 subsidy per ...	-10,000.00
Che...	08/29/18	10010	Mireya Banuelos	Reimbursement-: 12 towel...	-51.72
Che...	08/29/18	10011	Ebobisse, Solange	Stipend for week ending 8...	-400.00
Bill ...	08/29/18	10012	Apple One Staffing	00102494-0000	-1,103.20
Bill ...	08/29/18	10013	AT&T	8/14/18 invoice; Account ...	-228.78
Bill ...	08/29/18	10014	FPUD - FHD 7720-002	7720-002	-51.04
Bill ...	08/29/18	10020	FPUD - FHD 7721-000	007721-000	-51.04
Bill ...	08/29/18	10021	FPUD - FHD Wellnes...	007720-003	-469.60
Bill ...	08/29/18	10015	Freedom Now Promo...		-725.00
Bill ...	08/29/18	10016	Palomar Mountain Pr...	45919	-5.00
Bill ...	08/29/18	10017	Payne, Jonathan	Inv. 228808; Asemble win...	-450.00
Bill ...	08/29/18	10018	Ramirez Landscapin...	July landscaping - 138 So...	-400.00
Bill ...	08/29/18	10019	SDG&E - East Missio...	5182 613 597 1	-408.99
Bill ...	08/29/18	10022	SDG&E FHD - 6994	40605976994	-1,591.01
Bill ...	08/29/18	10023	Aztec Cleaning & Mai...	Office cleaning - Inv. 055...	-180.00
Bill ...	08/29/18	10024	Be Well Therapy	9/5/18 Groundbreaking E...	-125.00
Bill ...	08/29/18	10025	Fitness Moves	9/5/18 Groundbreaking E...	-125.00
Bill ...	08/29/18	10026	FPUD - FHD 2 0077...	007720-001	-143.23
Che...	08/30/18	10027	Linda Bannerman	Reimbursement-9/5/18 G...	-198.74
Bill ...	08/31/18	10028	Dominick's	Groundbreaking Event lu...	-475.22
Bill ...	08/31/18	10029	Fallbrook Awards	Inv. 26762; 2 - 9'x12' plaq...	-96.98
Bill ...	08/31/18	10030	Payne, Jonathan	Inv. 228810; Wellness Ce...	-785.00
Bill ...	08/31/18	10031	Village News	1641	-310.08
Total 102.2 · Cash in Bank - Operating					-72,963.73
TOTAL					<u>-72,963.73</u>

<b>CHECKBOOK REPORT JULY 2018</b>
-----------------------------------

**COMMUNITY INVESTMENT FUND JULY 2018**

BEGINNING BALANCE:	\$ 9,843,462.82
FUNDS SPENT:	\$ (43,927.86)
ENDING BALANCE:	\$ 9,799,534.96

(See attached report for itemized detail)

**OPERATIONS FUND JULY 2018:**

BEGINNING BALANCE:	\$ 993,769.55
DEPOSITS:	\$ 21,966.78
BILL PMTS./PAYROLL EXPENSES:	\$ (370,272.10)
ENDING BALANCE:	\$ 645,464.20

(See attached report for itemized detail)

FALLBROOK REGIONAL HEALTH DISTRICT  
 USES OF COMMUNITY INVESTMENT FUNDS  
 July 2018

COMMUNITY INVESTMENT FUND BALANCE JULY 2018:				\$ 9,843,462.82
Date	Name	Memo	Amount	
140 · Accounts Payable				
07/01/2018	Galvanized Strategies	Community engagement services Blue Zone	\$ 3,000.00	
07/01/2018	Galvanized Strategies	Community engagement services Wellness Center	\$ 3,000.00	
07/02/2018	Ebobisse, Solange	Weekly stipend for internship (8 of 8)	\$ 100.00	
07/03/2018	Tortorella, Margo	Cleaning at E. Mission Road	\$ 115.00	
07/04/2018	Apple One Staffing	Project Admin/Support; Inv. 01-4917654	\$ 1,103.20	
07/09/2018	Sharecare, Inc.	Inv. 2406790; Balance of Site Visit Fee	\$ 25,000.00	
07/11/2018	Apple One Staffing	Project Admin/Support; Inv. 01-4925739	\$ 658.14	
07/18/2018	Freedom Now Promotions	Replaces No. 9928-Nonrefundable booking fee for 9/5/18 event	\$ 100.00	
07/18/2018	Apple One Staffing	Project Admin/Support; Inv. 01-4931887	\$ 220.64	
07/19/2018	TRL Systems, Inc.	1636 E. Mission Rd. - 2018 Test Repairs Completed; Inv. 426485	\$ 658.00	
07/19/2018	FPUD - FHD Wellness Center	Acct. No 007720-003; 6/21/18-7/19/18; Meter No. 06707358	\$ 418.65	
07/22/2018	SDG&E - East Mission Road	Account No. 5182 613 597 1; 6/20-7/22/18	\$ 356.14	
07/23/2018	Apple One Staffing	Project Admin/Support; Inv. 01-4880268 - 6/1 invoice rec'd 7/23	\$ 1,189.62	
07/23/2018	Apple One Staffing	Project Admin/Support; Inv. 01-4897491 - 6/13 invoice rec'd 7/23	\$ 1,103.20	
07/23/2018	Apple One Staffing	Project Admin/Support; Inv. 01-4912814 - 6/27 invoice rec'd 7/23	\$ 1,103.20	
07/28/2018	Apple One Staffing	Project Admin/Support; Inv. 01-4938021	\$ 1,103.20	
07/30/2018	Jim's Sign Shop	Inv. 10000B; 4 "Prevent the Preventable" banners	\$ 488.06	
07/31/2018	SDG&E - East Mission Road	Account No. 518261359715; Security deposit	\$ 600.00	
	<b>Total 140 · Accounts Payable</b>		<b>\$ 40,317.05</b>	
150.2 - American Express 42005				
07/23/2018	Joe's Hardware	Decor and outdoor furniture for Wellness Center	\$ 3,187.04	
07/24/2018	BluSource	Backpack donation to Fallbrook Family Health Center	\$ 423.77	
	<b>Total 150.2 - American Express 42005</b>		<b>\$ 3,610.81</b>	
	<b>JULY 2018 TOTAL</b>		<b>\$ 43,927.86</b>	
	<b>COMMUNITY INVESTMENT FUND ENDING BALANCE JULY 31, 2018:</b>		<b>\$ 9,799,534.96</b>	

**FALLBROOK REGIONAL HEALTH DISTRICT  
OPERATIONS ACCT  
As of July 31, 2018**

09/24/18

Type	Date	Num	Name	Memo	Debit	Credit	Balance
<b>102.2 - Cash in Bank - Operating</b>							993,769.55
Bill Pmt -C...	07/02/18	9861	Ebobisse, Solange	Weekly stipen...		100.00	993,669.55
Deposit	07/03/18		A+ Urgent Care, Inc.	July Lease pa...	4,800.00		998,469.55
Check	07/09/18	9876	William Leach	REIMBURSE...		555.50	997,914.05
Bill Pmt -C...	07/09/18	9877	ACHD	Inv. 18004834...		7,725.00	990,189.05
Bill Pmt -C...	07/09/18	9878	American Express - ...	0-41007		2,681.82	987,507.23
Bill Pmt -C...	07/09/18	9879	Amsterdam Printing	Inv. 6014160;...		397.15	987,110.08
Bill Pmt -C...	07/09/18	9880	Apple One Staffing	00102494-0000		1,103.20	986,006.88
Bill Pmt -C...	07/09/18	9881	AT&T U-Verse - co...	146524365		46.37	985,960.51
Bill Pmt -C...	07/09/18	9882	Aztec Cleaning & M...	Office cleanin...		180.00	985,780.51
Bill Pmt -C...	07/09/18	9883	Galvanized Strategi...	Retainer - Co...		6,000.00	979,780.51
Bill Pmt -C...	07/09/18	9884	Glennie's Office Pro...	6493		473.96	979,306.55
Bill Pmt -C...	07/09/18	9885	Iron Mountain-153	CHSRM		1,795.83	977,510.72
Bill Pmt -C...	07/09/18	9886	Iron Mountain SX-302	SX302/Fallbro...		1,056.60	976,454.12
Bill Pmt -C...	07/09/18	9887	SDRMA - property i...	Inv. 64925; M...		450.70	976,003.42
Bill Pmt -C...	07/09/18	9888	Sharecare, Inc.	Inv. 2406790;...		25,000.00	951,003.42
Bill Pmt -C...	07/09/18	9889	Termin-8 Pest Control			250.00	950,753.42
Bill Pmt -C...	07/09/18	9890	ACHD	2018 ACHD: ...		100.00	950,653.42
Check	07/09/18	9891	Michelle's Place	CHC NO. 334...		6,300.00	944,353.42
Check	07/09/18	9892	Palomar Family Cou...	CHC NO. 335...		20,737.50	923,615.92
Check	07/09/18	9893	Reins	CHC NO. 336...		17,062.50	906,553.42
Check	07/09/18	9894	Boys & Girls Club	CHC NO. 318...		9,240.00	897,313.42
Check	07/09/18	9895	Boys & Girls Club	CHC NO. 319...		9,187.50	888,125.92
Check	07/09/18	9896	Community Health ...	CHC NO. 320...		26,250.00	861,875.92
Check	07/09/18	9897	Fallbrook Citizens - ...	CHC NO. 321...		2,625.00	859,250.92
Check	07/09/18	9898	Fallbrook Food Pantry	CHC NO. 322...		50,000.00	809,250.92
Check	07/09/18	9899	Foundation for Seni...	CHC NO. 323...		15,707.54	793,543.38
Check	07/09/18	9900	Foundation for Seni...	CHC NO. 324...		18,042.41	775,500.97
Check	07/09/18	9901	Foundation for Seni...	CHC NO. 325...		13,366.16	762,134.81
Check	07/09/18	9902	Foundation for Seni...	CHC NO. 326...		7,765.65	754,369.16
Check	07/09/18	9903	Fallbrook Land Con...	CHC NO. 327...		10,000.00	744,369.16
Check	07/09/18	9904	Fallbrook Senior Citi...	CHC NO. 328...		19,687.50	724,681.66
Check	07/09/18	9905	Fallbrook Smiles Pr...	CHC NO. 329...		18,768.75	705,912.91
Check	07/09/18	9906	Fallbrook Union Hig...	CHC NO. 330...		5,000.00	700,912.91
Check	07/09/18	9907	Healthy Adventures ...	CHC NO. 331...		2,362.50	698,550.41
Check	07/09/18	9908	Jeremiah's Ranch	CHC NO. 332...		3,871.88	694,678.53
Check	07/09/18	9909	Mental Health Syste...	CHC NO. 333...		2,427.87	692,250.66
Bill Pmt -C...	07/09/18	9910	Palomar Mountain P...	45919		33.04	692,217.62
Bill Pmt -C...	07/11/18	9911	Ascent Elevator Ser...	Elevator servi...		182.00	692,035.62
Bill Pmt -C...	07/11/18	9912	Aztec Cleaning & M...	Office cleanin...		180.00	691,855.62
Bill Pmt -C...	07/11/18	9913	Kathleen Bogle	June accounti...		850.00	691,005.62
Bill Pmt -C...	07/11/18	9914	Scott & Jackson Esq.	Professional s...		9,450.00	681,555.62
Bill Pmt -C...	07/11/18	9915	Streamline	Website mont...		200.00	681,355.62
Bill Pmt -C...	07/11/18	9916	Tortorella, Margo	Cleaning at E...		115.00	681,240.62
Bill Pmt -C...	07/11/18	9917	Garden Center	Catered event...		533.36	680,707.26
Check	07/13/18	9918	Howard Salmon	Reimburseme...		846.75	679,860.51
General Jo...	07/15/18	7-4	Linda Bannerman	SALARY: Ban...		1,420.46	678,440.05
General Jo...	07/15/18	7-8	Mireya Banuelos	SALARY: Ban...		1,371.89	677,068.16
General Jo...	07/15/18	7-6	Pamela Knox	SALARY: Knox		1,289.84	675,778.32
General Jo...	07/15/18	7-2	Bobbi Palmer	SALARY: Pal...		4,997.37	670,780.95
Bill Pmt -C...	07/16/18	9919	Apple One Staffing	00102494-0000		658.14	670,122.81
Bill Pmt -C...	07/16/18	9923	County of San Dieg...	Billing of LAF...		1,366.95	668,755.86
Bill Pmt -C...	07/16/18	9920	County of SD-Treas...	219-6240037		75.00	668,680.86
Bill Pmt -C...	07/16/18	9921	Ramirez Landscapin...	June landsca...		400.00	668,280.86
Bill Pmt -C...	07/16/18	9922	Sun Realty	Mission Aven...		187.50	668,093.36
General Jo...	07/16/18	7-17		Payroll Tax C...		694.76	667,398.60
General Jo...	07/16/18	7-16		IRS TAX PAY...		3,284.53	664,114.07
Check	07/17/18	9924	Pamela Knox	Reimburse - ...		215.22	663,898.85
Check	07/17/18	9925	Mireya Banuelos	Reimbursemen...		43.30	663,855.55
Bill Pmt -C...	07/18/18	9926	Aztec Cleaning & M...	Office cleanin...		180.00	663,675.55
Bill Pmt -C...	07/18/18	9927	Citrus Plaza Self St...	Storage Unit ...		214.00	663,461.55
Bill Pmt -C...	07/18/18	9928	Freedom Now Prom...	VOID: Nonref...	0.00		663,461.55
Check	07/18/18	9929	Pamela Knox	Reimburse - ...		330.00	663,131.55
General Jo...	07/23/18	7-28		June property...	17,166.78		680,298.33
Bill Pmt -C...	07/25/18	9930	Apple One Staffing	00102494-0000		3,616.66	676,681.67
Bill Pmt -C...	07/25/18	9931	AT&T	7/14/18 invoic...		205.54	676,476.13
Bill Pmt -C...	07/25/18	9932	Aztec Cleaning & M...	Office cleanin...		180.00	676,296.13
Bill Pmt -C...	07/25/18	9933	CalPERS	1559595490		1,358.78	674,937.35

# FALLBROOK REGIONAL HEALTH DISTRICT OPERATIONS ACCT

As of July 31, 2018

09/24/18

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Bill Pmt -C...	07/25/18	9934	Konica Minolta Leas...	061-0116888-...		937.23	674,000.12
Bill Pmt -C...	07/25/18	9935	Touchbase	344664		57.60	673,942.52
Bill Pmt -C...	07/25/18	9936	TRL Systems, Inc.	FAL004		1,438.57	672,503.95
Bill Pmt -C...	07/25/18	9937	Village News	VOID: 1641	0.00		672,503.95
Check	07/25/18	9938	Cash	Petty Cash R...		250.00	672,253.95
Check	07/27/18	9946	Mireya Banuelos	Reimbursmen...		170.01	672,083.94
Check	07/28/18	9939	A+ Urgent Care, Inc.	July 2018 sub...		10,000.00	662,083.94
General Jo...	07/30/18	7-5	Linda Bannerman	SALARY: Ban...		1,420.46	660,663.48
General Jo...	07/30/18	7-9	Mireya Banuelos	SALARY: Ban...		1,371.87	659,291.61
General Jo...	07/30/18	7-7	Pamela Knox	SALARY: Knox		1,289.86	658,001.75
General Jo...	07/30/18	7-3	Bobbi Palmer	SALARY: Pal...		5,067.71	652,934.04
Bill Pmt -C...	07/30/18	9940	Apple One Staffing	00102494-0000		1,103.20	651,830.84
Bill Pmt -C...	07/30/18	9941	CHC Refrigeration Inc	Inv. 29575 - I...		287.48	651,543.36
Bill Pmt -C...	07/30/18	9942	FPUD - FHD 2 007...	007720-001		142.37	651,400.99
Bill Pmt -C...	07/30/18	9943	FPUD - FHD 7720-0...	7720-002		51.04	651,349.95
Bill Pmt -C...	07/30/18	9944	FPUD - FHD 7721-0...	007721-000		51.04	651,298.91
Bill Pmt -C...	07/30/18	9945	FPUD - FHD Wellne...	007720-003		418.65	650,880.26
General Jo...	07/31/18	7-12	Stephen Abbott	STIPEND: Ab...		92.35	650,787.91
General Jo...	07/31/18	7-14	William Leach	STIPEND: Le...		461.75	650,326.16
General Jo...	07/31/18	7-13	Barbara Mroz	STIPEND-Mroz		277.05	650,049.11
General Jo...	07/31/18	7-11	Howard Salmon	STIPEND: Sa...		184.70	649,864.41
General Jo...	07/31/18	7-10	Gordon Tinker	STIPEND: Tin...		277.05	649,587.36
General Jo...	07/31/18	7-17		Payroll Tax C...		624.41	648,962.95
General Jo...	07/31/18	7-18		IRS TAX PAY...		3,498.75	645,464.20
Total 102.2 · Cash in Bank - Operating					21,966.78	370,272.13	645,464.20
<b>TOTAL</b>					<b>21,966.78</b>	<b>370,272.13</b>	<b>645,464.20</b>





## MINUTES

**FINANCE COMMITTEE OF THE WHOLE  
Thursday, September 5, 2018 at 5:00 P.M.  
Community Meeting Room, 1635 E. Mission Rd., Fallbrook CA 92028**

Committee Members: Finance Committee of the Whole, Barbara Mroz, Chair, & Bill Leach, Co-chair and Directors Gordon Tinker, Stephen Abbott and Howard Salmon.

Staff Members: Chief Executive Officer Bobbi Palmer & Administrative Assistant Linda Bannerman  
Accountant: Kathy Bogle and Bookkeeper: Wendy Lyon

1) Call to Order/Roll Call

Chairperson Barbara Mroz called the meeting to order at 5:02 p.m.

2) Public Comments

Bianca Heyming, a resident of Bonsall, spoke in favor of the Blue Zones Project and how many people in her specific community "The Emerald Village" are excited about it. They have similar activities in their community and she invited the board to visit.

Leticia Maldonado/Stamos, expressed concern that a large portion of the community are not yet informed and have not been invited to the wellness center and Blue Zone Project meetings. She said she thinks both are wonderful projects and wants everyone included.

3) Review of Financial Statements for July 2018

1) Balance Sheet Comparison of July 2018 to June 2018

2) Income Statement for the Month Ended July 31, 2018 & Fiscal Year to Date

3) Profit & Loss Actual vs Budget – July through July 2018

4) Profit & Loss Budget Overview July 2017 through June 2018

The above financial statements were reviewed. She noted that cash in the bank is down, due to Community Health Contract recipients having received their checks, which are paid on a schedule throughout the year. LAFCO administrative fees increased due a recent renegotiation. An initial payment was also made to Blue Zones, which is currently paused in part due to this is an election year and we will be welcoming new board members. Med+ Urgent Care services (previously A+ Urgent Care) receives a \$10,000 check each month to support urgent care services in our community.

5) Local Agency Investment Fund (LAIF) Statement – July 2018

The balance in the LAIF account through July 2018 was \$1,472,559.

6) CalTRUST Statement – July 2018

The balance in the CalTrust account through July 2018 was \$6,725,89.



- 7) Property Tax Revenue – Fiscal Year to Date  
Property tax revenue year-to-date (one month) was \$29,034.
  - 8) Check Detail Report – July 2018  
This report is always included as informational.
- 4) Adjournment  
There being no further business, the meeting was adjourned at 5:17 p.m.

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Barbara Mroz, Treasurer



# Fallbrook Regional HEALTH DISTRICT

## MINUTES

### REGULAR BOARD MEETING

Wednesday, September 12, 2018, 6:00 p.m.

**PLEASE NOTE NEW MEETING LOCATION**

Fallbrook Wellness Center, 1636 E. Mission Rd., Fallbrook

PRESENT: Directors Gordon Tinker, Stephen Abbott and Barbara Mroz.

ABSENT: Directors Howard Salmon and Bill Leach.

ALSO Present: Legal Counsel Blaise Jackson.

It was noted that Directors Salmon and Leach, and CEO Bobbi Palmer were attending the Association of California Health Districts' Annual Meeting.

#### A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE

President Tinker called the meeting to order at 6:01 p.m. and led the Pledge of Allegiance.

#### B. ADDITIONS TO AGENDA

None

#### C. BOARD MEMBER AND PUBLIC COMMENTS

None

#### D. CONSENT ITEMS

D1. Approval of July 2018 Financial Statements

D2. Minutes of August 1, 2018 Finance Committee Meeting

D3. Minutes of August 8, 2018 Regular Board Meeting

No consent items were pulled for discussion.

**Action:** On motion duly made by Director Abbott, seconded by Director Mroz, the Consent Items were approved as presented.

**Motion carried:** 3-0. 2 Absent.

#### E. REPORTS

E1. Finance Committee – Committee of the Whole, Chair: Director Mroz

Committee Chair Barbara Mroz provided the Finance Committee report for the meeting of September 5, 2018. She said some people provided public comments. The financial statements were reviewed. Cash in the bank was reduced due to payment of Community Health Contract payments (paid on a schedule several times during the year). Under Fixed Assets, it was noted that each property is reflected with an updated 2018 appraisal value. LAFCO administrative fees increased due to renegotiation. The Local Agency Investment Fund had a balance of \$1,472,559 and the CalTRUST balance was \$6,725,891. Property tax revenue fiscal year-to-date totaled \$29,034.

E2. Gov't/Public Relation/Community Relations Committee – Directors Salmon and Tinker  
None

E3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon

Director Abbott said several architects had responded to our Request for Qualifications and had provided their conceptual designs for the upcoming wellness center for display at the Groundbreaking Ceremony on September 5th. They were still on display for the board meeting. The Board of Directors have yet to decide on which they prefer.

- E4. Chief Executive Officer – Bobbi Palmer MBA MSW  
In the absence of the CEO, Director Mroz provided the CEO report. Director Mroz said her report was a Status Report Based on Phase 1 Outcome Measurements, Month 8. She included the Collective Impact Approach used for the September 5<sup>th</sup> Groundbreaking and all the events and organizations participating. She noted an integrative approach was utilized to structure collaborative efforts with a common agenda. FRHD orchestrated this event and the District's presence was one described as the backbone organization. (See attached report)
- E5. General Counsel – Blaise Jackson  
Counsel said he has been working with Community Health System's legal counsel regarding a matter of who is to be serving as custodian of medical records for what had been Fallbrook Hospital. He will continue to keep the Board apprised in this matter.

**F. ITEMS FOR SUBSEQUENT MEETINGS**

- F1. Other Director/Staff discussion items
- F1a. Item(s) for future board agendas  
The kickoff for the Chief Executive Officer's annual review will be placed under Closed Session at the October regular meeting of the Board of Directors; the contract calls for the review to be completed by the November regular meeting.
- F1b. Announcements of upcoming events:
- **ACHD 66<sup>th</sup> Annual Meeting** – September 12<sup>th</sup>-14<sup>th</sup> Pismo Beach.
  - Community Collaborative for Health & Wellness Committee (CCH&W) meeting – 3<sup>rd</sup> Monday, September 20, 9:00-10:30am, Fallbrook Public Utility District Board Room
  - **2018 CSDA Annual Conference & Exhibitor Showcase** – Monday, September 24<sup>th</sup>-27<sup>th</sup> Indian Wells.
  - Prostate Cancer Screening – Saturday, September 29, 2017, 7:00am-9:00am, Fallbrook Family Health Center
  - NCCCHI meeting – 1<sup>st</sup> Wednesday, October 3, 2:00-3:00pm, Fallbrook Wellness Center, 1636 E. Mission Rd.
  - Finance Committee of the Whole meeting – 1<sup>st</sup> Wednesday, October 3, 5:00pm Fallbrook Wellness Center, 1636 E. Mission Rd.
  - Woman of Wellness – Thursday, October 4, 6pm – NEW MEETING LOCATION Fallbrook Wellness Center, 1636 E. Mission Rd., Fallbrook
  - Fallbrook Harvest Faire 2018 – Sunday, October 28, 2018, 9:00am-4:00pm, Main Avenue, Downtown Fallbrook
- F2. **Next Regular Board meeting** – Wednesday, October 10, 2018, 6:00pm at  
**NEW MEETING LOCATION:** Fallbrook Wellness Center, 1636 E. Mission Rd., Fallbrook

**G. ADJOURNMENT**

There being no further business, the meeting was adjourned at 6:12 p.m.

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Gordon Tinker, President

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Board Secretary/Clerk

## **REPORTS**

**REPORTS**

Chief Executive Officer – Bobbi Palmer

**CEO REPORT FORTHCOMING**

**REPORTS**  
Legislative Communication





# ASSEMBLYMEMBER MARIE WALDRON

CAPITOL UPDATE

## **AB 1791, Physicians and Surgeons: Continuing Education**

Requires the Medical Board of California to consider courses in PrEP and PEP medication maintenance and counseling in primary care settings when determining its continuing education requirements.

**Signed by Governor, Chaptered**

## **AB 1870, Employment Discrimination: Statute Of Limitations For Harassment**

Extends the period to 3 years for which complaints alleging unlawful employment or housing practices may be filed with the department.

**On Governor's Desk**

## **AB 1943, Manufactured housing: Installation: Common Interest Developments**

Specifies written evidence that the manufactured home, mobile home, or commercial modular owner owns a separate interest in a common interest development would be deemed to comply with this requirement.

**Signed by Governor, Chaptered**

## **AB 1944, San Luis Rey Groundwater Basin**

Divides the San Luis Rey Valley Groundwater Basin into an upper and lower subbasin and would designate the subbasins as medium priority until the department reassesses basin prioritization.

**Signed by Governor, Chaptered**

## **AB 2296, Licensed Professional Clinical Counselors: Clean-Up**

Makes non-substantive changes to the Department of Consumer Affairs the Board of Behavioral Sciences.

**Signed by Governor, Chaptered**

## **AB 2342, BRCA Risk Assessment**

Ensures that women who have not been diagnosed with breast or ovarian cancer, but who could be considered high-risk are appropriately assessed and if necessary, receive genetic counseling and testing.

**On Governor's Desk**

## **AB 2720, Juveniles: Juvenile Reentry and Realignment Funding**

Expands the use of Juvenile Reentry Grant Special Account Funds to include services for juveniles who have been discharged from the jurisdiction of the juvenile court within the prior two years.

**On Governor's Desk**

**AB 2893, California Health Benefit Review Program (CHBRP)**

Requests CHBRP to include in its analysis, as part of the financial impacts of the above legislation, relevant data on the impact of coverage or repeal of coverage of the benefit or service on anticipated costs or savings estimated upon implementation for the 2 subsequent state fiscal years.

**Signed by Governor, Chaptered**

**AB 3176, Indian Children**

Modifies the California Welfare and Institutions Code to comply with the 2016 Bureau of Indian Affairs Indian Child Welfare Act regulations.

**On Governor's Desk**

**ACR 180, Maternal Mental Health Awareness Month**

Declares the month of May as maternal mental health awareness month.

**Signed by Governor, Chaptered**

**ACR 205, CAL FIRE Firefighter Cory Iverson Memorial Highway**

Recognizes the contributions of CAL FIRE Fire Apparatus Engineer Cory Iverson to the people of California and would designate a specified portion of State Route 15 between State Route 78 (Post Mile 31.5) and Via Rancho Parkway Overcrossing (Post Mile: M26.970) in the County of San Diego as the CAL FIRE Firefighter Cory Iverson Memorial Highway.

**Signed by Governor, Chaptered**

**ACR 273, Women's Small Business Month**

Designates the month of October 2018 as Women's Small Business Month and encourage all citizens to recognize the economic importance of women's small businesses in California

**Signed by Governor, Chaptered**

**WEBSITE: [WWW.ASMRC.ORG/WALDRON](http://WWW.ASMRC.ORG/WALDRON) EMAIL: [ASSEMBLYMEMBER.WALDRON@ASSEMBLY.CA.GOV](mailto:ASSEMBLYMEMBER.WALDRON@ASSEMBLY.CA.GOV)**

# Senate

California Legislature

JOEL ANDERSON

SENATOR

THIRTY-EIGHTH SENATE DISTRICT



The DMV was given a hundred million dollars and 550 new employees to address backlogs resulting from the Federal Real ID requirements that it took them 15 years to implement.

But even with more money and more employees, **DMV wait times are still out of control.**

So what did the legislature's majority party do? They decided to throw more money at the problem with no accountability.

I wanted you to see the op-ed I wrote (reverse side) in the Fallbrook & Bonsall Village News that opposed the idea of giving the DMV more money until they were held accountable for what they already squandered. After I submitted it for publication, the legislature passed a budget bill, SB 862, that gives the DMV a blank check for funding increases without a vote of the legislature.

Specifically, SB 862 initially appropriates an additional \$16.6 million to the DMV then allows the Director of Finance – an unelected bureaucrat – to approve additional funding. The legislative budget committees' approval is not required nor is any vote by elected representatives of the people to hold the agency accountable for its performance.

Californians deserve better. We shouldn't throw good money after bad at the DMV, and it's absurd to remove any accountability or legislative oversight for the agency's funding increases. I voted against SB 862 on the floor and am urging the Governor to veto the measure. To add your name to my veto request, please fill out and return the detachable portion at the bottom of this page.

It's an honor to serve you.

-Joel

-----  
Senator Anderson, please add my name to your letter urging Governor Jerry Brown's **veto of SB 862**, which writes the DMV a blank check with no legislative oversight.

Name \_\_\_\_\_ Organization \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ Email \_\_\_\_\_ Phone # \_\_\_\_\_

## **DMV wait times: latest proof that more spending solves nothing**

Originally published in the August 31 edition of the Fallbrook & Bonsall Village News

Anyone who's visited a Department of Motor Vehicles field office lately has likely encountered an inconvenient truth: DMV wait times aren't just longer than ever, they are out of control. Some of my constituents who made appointments for basic services, like renewing a driver's license, told me they waited for hours only to be told at the end of the day to go back home and try again tomorrow.

Way back in 2005, the federal government passed the REAL ID Act. Under the Act, all 50 states were mandated to complete an upgrade of their driver's license vetting process by 2020 in order to improve homeland security. Despite having 15 years to get this accomplished, we're just now seeing the REAL ID requirements being implemented which has contributed to the unprecedented delays at the DMV.

The legislature appropriated more than a hundred million extra dollars already to the DMV's budget to address delays and added 550 more employees to the payroll. But the DMV has failed to increase its daily hours of operation or be open on Saturdays, except in a handful of field offices.

So we've spent more money and added more employees, but DMV wait times have gone through the roof.

I believe my constituents deserve better, and I believe they deserve to know where their money has gone.

Sadly, a majority of the Joint Legislative Audit Committee doesn't agree. Recently they rejected a proposal by Assembly Members Jim Patterson (R-Fresno), Phillip Chen (R-Brea), and Matthew Harper (R-Huntington Beach) to conduct a thorough audit to explore how the DMV has so spectacularly failed to deliver prompt and reasonable service to the public. The Governor and the Director of the DMV are asking for more money for the agency -- \$26 million to be exact -- with no specific plan other than to hire additional workers.

Despite the outcome of the hearing, I am not giving up on my commitment to make government work for you. I'm supporting my colleague Senator Bates' (R-Laguna Niguel) emergency legislation to grant an additional 90 days to license renewals to offer some amount of relief to my constituents who are trying to do the right thing but can't afford to take an entire day or more off work to be at the DMV.

Do you think the legislature should simply write the DMV a check for another \$26 million or should we seek accountability for the money we've already given them? I welcome your emails at [senator.anderson@senate.ca.gov](mailto:senator.anderson@senate.ca.gov).

**A note to our readers...**

During the Legislature's recess, HBE will be publishing *This Week* on an as-needed basis. Look for our next publication no later than Friday, October 5, when we will report on the Governor's final signing and veto actions.

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF SEPTEMBER 3, 2018

## Funding to Address Homelessness Available

This week, the Business, Consumer Services and Housing Agency announced the release of the Homeless Emergency Aid Program (HEAP) Round 1 Notice of Funding Availability ([NOFA](#)) and [application](#). Updated Frequent Asked Questions ([FAQs](#)) and the PowerPoint presentation from regional workshops – as well as supplemental materials, including a sample shelter crisis declaration – have also been posted on the [HEAP website](#). As we've shared previously, the HEAP program provides \$500 million in one-time funding for cities and counties to address homelessness. Those interested in tracking the HEAP program should consider [subscribing](#) to email updates from the Business, Consumer Services and Housing Agency.

In other news, the deadline for application for the Homeless Mentally Ill Outreach and Treatment Program (HMIOT) is approaching. Counties must submit a letter of intent and Board resolution affirming participation to Department of Health Care Services (DHCS) by **September 25, 2018**. The letter of intent, including a description of the program or programs and how the county intends to use the funding, and any questions can be submitted to [HMIOT@dhcs.ca.gov](mailto:HMIOT@dhcs.ca.gov).

## What Awaits the Governor's Action

Full disclosure – we are fully cribbing here from a daily e-publication called *The Nooner*, which provides analysis and commentary on a range of Sacramento-based, statewide, and national policies and politics. (It's usually an interesting read; if interested, you can subscribe [here](#).) In any case, *The Nooner's* publisher reports the following data – based on a tabulation by a lobbyist in Sacramento – on the sheer numbers of bills that await the Governor's action. Remember, the Governor has to make all signing/veto decisions by Sunday, September 30.

As of the end September 5 (and these numbers are slightly outdated, as the Governor announced action on 22 bills yesterday), the bills on or soon to be on the Governor's Desk are as follows:

### Worth Noting: Governor Announces California Biodiversity Initiative

Governor Brown released an [executive order](#) today that establishes the [California Biodiversity Initiative](#). It is a call to action to protect California's unique and diverse plants, animals, and ecosystems.

The executive order directs the Department of Food and Agriculture and the Department of Fish and Wildlife to coordinate on safeguarding existing plants and animals while restoring and protecting habitat. It further declares September 7 of each year as California Biodiversity Day.

The Governor's action comes on the heels of other investments meant to protect the state's biological heritage. The 2018-19 state budget allocates \$2.5 million to launch the California Biodiversity Initiative in partnership with tribal groups, educators and researchers, the private sector, philanthropic groups and landowners.

In related news, the Governor will participate in next week's Global Climate Action Summit in San Francisco; he is co-chair of the event.

- From the Assembly – 187 Assembly bills (ABs) on the Governor’s Desk; 410 in engrossing and enrolling (597 ABs remaining)
- From the Senate – 91 Senate bills (SBs) on the Governor’s Desk; 253 in engrossing and enrolling (344 SBs remaining)
- So, there are a total of 941 bills remaining for the Governor’s final action.
- As of Wednesday, the Governor has signed 269 measures and vetoed 7 measures for a total of 276 Assembly and Senate Bills acted upon.
- At the end of this signing session, the Governor will have acted upon a total of 1,217 Assembly and Senate Bills.
- Last year, the Governor signed 859 bills and vetoed 118 bills (an 88 percent signing rate) for a total of 977 measures acted upon; 240 fewer measures got to his desk in 2017 (as compared to the 1,217 bills that will be acted upon by the Governor this year).

## **BSCC Takes Action on Prop 47 Recidivism Reduction Grants**

The Board of State and Community Corrections (BSCC) [met](#) this week in San Diego and took action on two items associated with the Board’s work on Proposition 47 recidivism reduction grants.

### **No-Cost Time Extension for Current (Cohort 1) Grantees**

Twenty three jurisdictions successfully secured program funding under the first round of recidivism reduction [grants](#) (\$103 million in total funding over a 39-month contract period from June 2017 to August 2020). The BSCC approved the [proposal](#) to provide current grantees an additional 12 months for implementation, given time consuming start-up activities that delayed delivery of services. No additional funds would be allocated for the extension period, but grant recipients would have until August 2021 (instead of August 2020) to expend their already awarded grant.

### **Development Process for Second Round (Cohort 2) Grantees**

Under a separate [item](#), the BSCC was asked to take action on developing the process for awarding the second round of recidivism reduction grants. The Board devoted considerable discussion to a recommendation that would have limited eligibility in Cohort 2 to new lead public agency applicants (i.e., Cohort 1 lead agencies would be ineligible for the second round). Ultimately, the Board approved all of the following: 1) the release of the Request for Proposal – virtually identical to the Cohort 1 RFP with narrow technical amendments – to the public for a 30-day comment period; 2) the use of a committee for the purposes of reading and scoring Cohort 2 grant applications; and 3) direction to staff to solicit public comment on eligibility options for applicants in the second round of grant funds.

HBE will keep you apprised of next steps in the Prop 47 grant application process, including the release of the draft RFP for Cohort 2. It is very important that agencies with an interest in applying for a future round of Prop 47 recidivism reduction grants stay updated on the related actions before the BSCC and take advantage of the opportunity to provide comment.

**Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...**

**JEAN HURST**  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

**KELLY BROOKS**  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

**ELIZABETH ESPINOSA**  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)

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# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF SEPTEMBER 10, 2018

## SB 10 Opponents' Referendum Effort Faces Late November Deadline

As reported previously, opponents to the recently signed bail reform legislation ([SB 10](#), by Senator Bob Hertzberg) immediately filed a referendum to halt implementation of the measure that, effective October 2019, would replace the current money bail system with a risk-based assessment model. This week, the title and summary for the referendum was [released](#).

The referendum has been cleared for signature gathering. Referendum proponents have until November 26 to collect and submit just over 365,000 signatures to secure a spot on the November 2020 ballot. (The Secretary of State's office has a handy [explainer](#) on the California referendum process.) If successful in gathering the requisite signatures, the implementation of SB 10 would be put on hold until the matter can go before the voters in two years. That timeframe is tight, but certainly achievable if enough money is put toward the effort. And the bail industry – both in California and across the nation – certainly has sufficient motivation to make that kind of investment. It was reported today that bail companies have already contributed \$2.8 million to support the referendum effort. Stay tuned.

## More 2020 Ballot News

Earlier this summer, the California Dental Association (CDA) and the California Medical Association (CMA) jointly filed an [initiative](#) for the November 2020 ballot to create a statewide tax on sugar sweetened beverages. It was cleared for signature gathering last week.

The soda tax initiative was filed shortly after the Governor's late June signing of [AB 1838](#), a measure that – through January 1, 2031 – (1) prohibits local governments from enacting new excise taxes on sugar-sweetened drinks and (2) bans local excise taxes on many other types of food and drinks.

The proposed CDA/CMA ballot measure would create a new two-cent-per-ounce statewide excise tax on sugar-sweetened drinks starting July 1, 2021. The Legislative Analyst's Office (LAO) estimates

### Worth Noting: Governor Kicks off Global Climate Action Summit Week with Clean Electricity Bill Signing

This week, Governor Brown – as co-chair of the Global Climate Action [Summit](#) – welcomed government officials, business leaders, and environmentalists from across the globe to renew a commitment to climate action.

To kick off the week, the Governor [signed SB 100](#), by Senator Kevin de León, which sets a 100% clean retail electricity supply goal by December 31, 2045. His signing message on this measure can be read [here](#).

In related news, the Governor – while on the maiden voyage of a hybrid electric ferry on the San Francisco Bay – signed another 16 climate-related measures. Details on yesterday's bill signings and the specifics of the newly enacted bills can be read [here](#).

that the new tax would raise roughly \$2 billion to \$3 billion in annual revenue beginning in 2022-23. After paying for tax administration and audits (5 percent of revenue), the remaining funds would be spent as follows:

Category	% of funds	Specific purpose
Health care	82	Existing programs that fund prevention and treatment for medical and dental diseases linked to sugar sweetened drinks. Within these existing programs, the money would be used “to improve quality and access to health care programs.”
Disease prevention	12	Programming seeking to reduce consumption of sugar-sweetened drinks and to prevent diseases linked to sugar-sweetened drinks.
Access to health foods and water	3	Improving access to fruit, vegetables, and clean drinking water.
Research	3	Funding for research on diseases linked to sugar sweetened drinks.

The measure states that these funds shall supplement and not supplant existing funds. Other major provisions of the initiative include the following:

- **Permits Local Government Tax on Nonalcoholic Drinks.** The measure amends the State Constitution to allow local governments to tax nonalcoholic drinks. This constitutional provision would override the aforementioned ban on local food and drink taxes.
- **Exempts New State Revenues From State Spending Limit.** The measure amends the State Constitution to exempt the measure's revenues and spending from the state's constitutional spending limit.

In addition to the ballot measure, Assembly Member Richard Bloom [announced](#) this summer his intention to introduce a bill in next year’s legislative session to assess a “health impact fee” on sugar-sweetened beverages to fund obesity and diabetes prevention programs.

### August Revenues Surpass Budget Targets

The State Controller’s Office released its [monthly cash report](#) this week, noting that total revenues of \$9.98 billion for August were higher than anticipated in the budget by \$1.14 billion. While corporation tax missed the mark for the month of August, personal income tax and sales tax revenues came in higher than assumed in the enacted budget.

For August, personal income tax receipts of \$5.94 billion were \$440.3 million more than expected. August corporation tax revenues of \$92.3 million were \$74.9 million below 2018-19 Budget Act estimates. Sales tax receipts of \$3.50 billion for August were \$766.4 million more than anticipated in the budget. The State Controller’s Office suggests that most of the variance was due to when revenue was recorded.

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JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [eh@hbeadvocacy.com](mailto:eh@hbeadvocacy.com)



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# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF SEPTEMBER 24, 2018

## Feds Release “Public Charge” Proposal

The Trump Administration issued a press release and [text](#) of a Notice of Proposed Rulemaking on “public charge” on September 22. Media outlets had been reporting for over a year that the Administration was expected to issue proposed changes to “public charge,” which is a category used to determine whether someone seeking permanent resident status is “likely to become primarily dependent on the government for subsistence.”

Under the proposal, the Trump Administration would expand the public charge concept to include more widely used benefits, including Medicaid, Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), housing assistance and the Medicare drug subsidy for low-income seniors. Penalties would not apply for using Medicaid in certain emergencies or for some Medicaid services provided through schools and disability programs. Currently only cash-based income supports (Temporary Assistance for Needy Families and Supplemental Security Income) are included in public charge.

Certain categories of immigrants, including refugees, asylum seekers, and Afghans and Iraqis with special immigrant visas would be exempted from the changes, according to the Department of Homeland Security (DHS). Legal permanent residents with green cards who apply to naturalize as U.S. citizens would not be subject to the proposed changes.

The proposal notes that several consequences could stem from the rule, including that high numbers of immigrants stop using assistance. According to the Trump Administration, the rule could result in “increased prevalence of obesity and malnutrition, especially for pregnant or breastfeeding women, infants, or children; people using emergency rooms as their primary health care; more communicable diseases due to lower vaccination rates; higher levels of poverty and uncertain housing, and “reduced productivity and educational attainment.”

## Worth Noting: PPIC Releases Poll Giving Insights into November 2018 Election

The Public Policy Institute of California (PPIC) released poll [results](#) this week that examined, among other topics, voters' leanings on key contests and two high-profile initiatives on the November 2018 ballot as well as their overall “mood” on the state of affairs in California and Washington D.C.

Among the findings: Senator Dianne Feinstein continues to hold a double-digit (but slightly contracted) lead over challenger Kevin de León in the U.S. Senate race. John Cox has narrowed Gavin Newsom's lead in the Governor's race, but Newsom still holds a 12-point edge. Two prominent ballot measures – Proposition 6 (gas tax repeal) and Proposition 10 (rent control) – are trailing, with a slim majority of likely voters poised to vote no. The share of undecided voters is notably significant (16 percent) with respect to the rent control initiative.

Just 39 days remain until the November 6 general election.

Once it is published in the Federal Register, there will be 60 days to submit public comments. DHS is then required by law to review the comments and address substantive ones before proposing the final rule. People who receive public benefits before the rule takes effect would not be penalized for doing so. The rule would likely not take effect until 2019.

The proposed rule is likely to face legal challenges.

## **Gas Tax Repeal Proponents File New Initiative**

Proponents of Proposition 6, the gas tax repeal measure on the November ballot, filed a “replacement” [initiative](#) with the Attorney General’s office this week. The measure – “the Citizens’ Lockbox for Road Repairs and Infrastructure Improvements” – would redirect revenues from taxes and fees imposed by the state on fuel and vehicles to a state fund for the purposes of funding capital outlay for public streets and highways and repairs and maintenance of public streets and highways starting on January 1, 2021.

Specifically, the measure seeks to redirect fuel tax revenue, sales tax revenue, vehicle license fee revenue, revenue from fines and penalties imposed for traffic violations, and revenue from taxes imposed on insurance for motor vehicles from existing allocation methodologies to deposit into the trust fund. In addition to funding roads and highways, the redirected revenues may also be used to fund the state administration and enforcement of traffic and vehicle laws, court costs associated with adjudicating traffic and vehicle laws, and the mitigation of the environmental effects of motor vehicle operation due to air and sound emissions.

The proposed initiative also prohibits the use of project labor agreements and prevailing wage requirements and precludes the Legislature from enacting laws to limit or prohibit contracting with private entities for state or local transportation projects. The measure also ends funding for the California High-Speed Rail and prohibits the sale of bonds authorized by voters when they approved Proposition 1A in November 2008. Unspent proceeds of bonds would be redirected from high-speed rail purposes to retiring the debt of outstanding bonds.

The measure also includes an annual audit by the State Auditor of transportation project performance and efficiency audits on public transportation projects and requires an audit of the Department of Motor Vehicles every three years.

Initiative proponents indicated to the *Los Angeles Times* (check out the article [here](#)) that the initiative is in response to concerns about the impacts of Proposition 6 on existing state and local transportation funding. The initiative does in fact redirect billions of dollars of existing funding from programs, including 1991 and 2011 realignment and fine and penalty revenue that currently benefits courts and counties, which would dramatically impact public safety, health, mental health, and social services programs across the state.

This initiative now awaits title and summary from the Attorney General before proceeding to signature-gathering.

## **Federal Opioid Legislation Compromise Unveiled this Week**

The “Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act” – or SUPPORT for Patients and Communities Act – emerged as a negotiated

compromise between the House and Senate this week. The compromise bill is expected to be approved soon by both chambers and signed by the President before the midterm elections. On a separate track, Congress appears to be contemplating the approval of an estimated \$4 billion in additional spending for next year to support federal programs authorized in the new and prior opioid legislation.

The bill is a 660-page document that expands and creates programs across the federal government that address prevention, treatment and recovery. A few of the provisions include:

- **Institutions for Mental Disease (MD) Exclusion** – includes a partial repeal of the “IMD exclusion” that prohibits payments for residential addiction treatment at facilities with more than 16 beds. Under the new bill, patients covered by Medicaid will be able to access care at such facilities for up to 30 days annually, with the change effective for the next five years.
- **Patient Brokering** – includes a national ban on “patient brokering”—the buying and selling of patient leads. This provision makes kickbacks for treatment referrals illegal and subject to criminal penalties.
- **Workforce** – includes school loan forgiveness for addiction treatment professionals who choose to work in underserved areas.
- **Best Practices** – includes the identification and development of best practices for recovery residences.
- **Parity Implementation** – includes an analysis of how well states are implementing and enforcing the Mental Health Parity and Addiction Equity Act, the law designed to ensure insurance benefits for mental health and addiction treatments are comparable to those for medical and surgical procedures.
- **Fentanyl** – includes a crackdown on mailed shipments of fentanyl.

Not included in the compromise was a proposal to modernize the 1970s-era "42 CFR Part 2" regulations that govern addiction treatment records. That change would have sought to align those regulations with the much newer Health Insurance Portability and Accountability Act (HIPAA) law that governs all other health records.

### **Bail Reform: Plans for Implementation Advance While Referendum is Pending**

The Judicial Council of California last week received an informational [presentation](#) on SB 10 (Hertzberg, 2018) implementation, with an eye toward the October 1, 2019 effective date specified in the measure. No mention was made regarding the bail industry’s pending effort to qualify a referendum for the November 2020 ballot.

In her opening remarks, Chief Justice Tani Cantil-Sakauye recognized the significant efforts of her Pretrial Detention Reform ([PDR](#)) Workgroup, which was established in October 2016 for purposes of evaluating the current bail system in California and making recommendations for changes to pretrial detention. The workgroup’s report and recommendations were issued in October 2017 and largely established the framework for the new pretrial detention system enacted in SB 10. The Chief Justice noted that the workgroup process was thorough and deliberative; the final set of recommendations

was made unanimously and built on a consensus principle that the current system is neither fair nor safe. The Chief also announced that she will appoint an independent SB 10 implementation workgroup that will serve as a clearinghouse and discussion forum for all ideas associated with the comprehensive system change.

The Council then heard a panel presentation consisting of three speakers: San Diego Superior Court Judge Lisa Rodriguez, who served as the co-chair of the Chief Justice's PDR Workgroup; Placer Superior Court Judge Richard Couzens (retired); and Shelley Curran, the director of the Judicial Council's Criminal Justice Services, who is the lead staff on SB 10 implementation. Of note from the panel presentation:

- Judge Couzens will publish a memo on the bail reform legislation, expected to be released in October 2018;
- Shelley Curran outlined the various Judicial Council responsibilities under SB 10 – including various rulemaking, establishing an expert panel to provide guidance on the use of risk assessment tools; providing training to judges, criminal justice system partners, and other stakeholders; collecting data; and developing methodologies to allocate funds to the trial courts for pretrial assessment and supervision services.
  - Note that the Judicial Council's formal rulemaking process has a robust public comment component and interested parties will have an opportunity to provide input.
- The Judicial Council is committed to a collaborative approach and providing implementation support to trial courts and other stakeholders, including establishing a public webpage likely to be up and running during October 2018; the site will include FAQs, infographics, and future reports to Legislature, among other resources.

HBE will continue to keep you apprised regarding developments in the area of bail reform. As noted previously, opponents of SB 10 are currently on the street seeking to collect upwards of 365,000 signatures by November 26 in an effort to referend the measure that effectively decimates the bail industry in California. If signature gathering is successful, implementation of SB 10 would be paused until the voters have the opportunity to weigh in at the November 2020 election. In related news, the Governor has yet to sign SB 1054 (Hertzberg), a bill that makes two clarifying and technical changes to SB 10.

### **Implementation of Mental Health Diversion (AB 1810, 2018)**

The Department of State Hospitals (DSH) hosted an information session this week on implementation of two components to AB 1810, the 2018-19 health budget trailer bill. Among other provisions, AB 1810 (1) gives broad authority to the courts, within certain circumstances, to grant diversion for persons with mental health disorders and (2) creates a structure for a county-based Incompetent to Stand Trial (IST) diversion program. The budget provides for \$100 million to support the IST program; the majority of the funds (just over 90 percent) will support diversion programs in the 15 counties that refer the highest number of ISTs to the state hospitals. (The top-referring counties include: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Santa Barbara, Santa Clara, Solano, Sonoma, and Stanislaus.) About \$9 million will be available to the remaining counties to build programs that meet the same objectives: demonstrate effective strategies and community-based programs that can support

diversion of ISTs and individuals at risk of becoming IST; reduce felony IST referrals; and integrate individuals into long-term community treatment after diversion to reverse cycle of criminalization.

DSH is planning to release within the next four to six weeks a Request for a Letter of Interest (RLOI) to identify agencies that are interested in the funding opportunity; the RLOI will also provide additional details on the Department's proposed approach to allocation, a timeline for the associated application, and other important details. HBE will share additional information on the application process as it becomes available. We anticipate receiving a copy of DSH's slide presentation from yesterday's meeting within the next few days. If interested in receiving a copy of the slide deck, feel free to [email](#) us.

## **HCD Releases New NPLH Sample Resolutions**

Just a quick note: The Department of Housing and Community Development (HCD) has released *new* sample authorizing resolutions for No Place Like Home (NPLH) funds. The County Noncompetitive Allocation Acceptance and Noncompetitive Allocation Supplemental Project Application forms can be found on HCD's website [here](#).

## **Bill Signing Update**

As you are undoubtedly aware, the Governor has until Sunday to complete his review and take action on all bills that made it to his desk this year. A few fun facts (at the time of this writing):

- A total of 1,564 bills made it to the Governor's desk in 2018.
- Of those bills, he has acted on 1,234 of them; he's signed 1,144 and vetoed 90 (a 7 percent veto rate).
- About 21 percent of the enrolled bills – a total of 330 – await the Governor's action.

We will report out next week regarding his final actions.

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JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)

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# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF OCTOBER 1, 2018

## Governor Makes Final Decisions on Last Ever Set of Bills

After 16 years of gubernatorial service and having taken action on a reported 20,000 measures over his four four-year terms in office, the Governor wrapped up his final bill signing period on Sunday, September 30. With a number of characteristically thoughtful and sometimes pointed veto and signing messages, Governor Jerry Brown left his final mark as the state's top executive on public policy in California. (Presumably, he will continue to influence policy in some form or fashion in the coming years. He is sitting on a pretty hefty war chest that he likely will deploy in upcoming elections – particularly 2020, with a several consequential initiatives likely to be before the voters.)

Below, we update you on a somewhat expanded “hot bill” list. Should you have any questions on the

outcomes of any other measures, please do not hesitate to reach out to any one of us at HBE

### Worth Noting: Selection of New Legislative Analyst Underway

With the recently announced retirement of Legislative Analyst Mac Taylor, the Joint Legislative Budget Committee (JLBC) has begun the process of vetting potential candidates to serve as the Legislature's next non-partisan budget analyst. Mr. Taylor, who was appointed the Legislative Analyst in 2008, is just the fifth person to serve in this capacity since the office was established in 1941. The JLBC's Select Committee on the Selection of the Legislative Analyst met last Thursday in a closed session to consider the appointment.

No news yet on either specific candidates or the timeframe for the decision making. Mr. Taylor's retirement is effective in December.

## Wildfire Preparedness and Response – SB 901 (Dodd)

On September 21, the Governor signed into law [SB 901](#), the comprehensive, multi-component measure developed by the Wildfire Conference Committee to address various aspects of wildfire prevention, response and recovery.

## Bail Reform – SB 10 and SB 1054 (Hertzberg)

As reported previously, the Governor signed [SB 10](#) – the measure that effectively does away with monetary bail – into law in late August. That measure shifts pretrial release decisions from being made based on a person's ability to post bail to one founded in the assessment of an arrestee's risk (to flee or to reoffend).

Yesterday, the Governor also signed [SB 1054](#), also by Senator Hertzberg, which makes two specific technical or corrective changes to SB 10: (1) clarify that no person subject to sex offender registrant requirements is eligible for pretrial release and (2) preserve until January 1, 2023 a long-standing contractual arrangement between the City and County of San Francisco and a non-profit currently providing pretrial services.

### **Mental Health Diversion – SB 215 (Beall)**

[SB 215](#), by Senator Jim Beall, addresses certain concerns raised regarding the mental health diversion program enacted earlier this summer in AB 1810, the 2018-19 health trailer bill. SB 215 excludes from participation in the mental health diversion program offenders charged with specified types of serious and violent crimes. Further, SB 215 authorizes the court to require a defendant to make a prima facie showing that the individual is eligible and suitable for the diversion. The Governor signed the bill into law on September 30.

### **Community Paramedicine and Triage to Alternate Destination – AB 3115 (Gipson)**

[AB 3115](#), by Assembly Member Mike Gipson, was a late-session gut and amend sponsored by the California Professional Firefighters. The bill attracted significant opposition among parties including the Association of California Healthcare Districts, the California Ambulance Association, the California Association for Health Services at Home, the California Hospice and Palliative Care Association, the California Hospital Association, the California Nurses Association/National Nurses United, the California State Association of Counties, the Emergency Medical Directors Association of California, and the Emergency Medical Services Administrators Association of California, Tenet Healthcare, and some individual counties. The bill would have enacted a statutory structure for community paramedicine and triage to alternate destination. Additionally, the measure would have made a number of governance changes to the local Emergency Medical Services (EMS), added additional members to the state EMS Commission, and created a preference for public EMS providers over private providers in state law, among other things. The measure was similar to SB 944 (Hertzberg), which was held in Assembly Appropriations Committee Suspense File earlier in the year. The Governor [vetoed](#) AB 3115 yesterday.

### **Microenterprise Home Kitchens – AB 626 (E. Garcia)**

[AB 626](#), by Assembly Member Eduardo Garcia, permits “microenterprise home kitchens” in the California Retail Food Code and allows the direct sale of potentially hazardous foods to consumers in private homes. Supporters of the bill include Airbnb, as well as home cooks. In opposition to AB 626 were CSAC, the Rural County Representatives of California, the Urban Counties of California, several individual counties, as well as the respective statewide associations of county health executives and county health officers. The Governor signed this bill on September 18.

### **Conservatorships – SB 1045 (Wiener)**

[SB 1045](#), by Senator Scott Wiener, creates a new category of conservatorship for persons who are chronically homeless and incapable of caring for their own health and well-being due to acute and severe mental illness or a severe substance abuse disorder, as evidenced by specified circumstances. The bill authorizes would authorize three jurisdictions – the Counties of Los Angeles and San Diego, as well as the City and County of San Francisco – to opt-in to make use of the provisions in SB 1045. The Governor signed this measure on September 27. We believe that enactment of this measure lessens the Legislature’s appetite to make further changes in this area – or in the definition of gravely disabled – in the near future.

### **Pharmaceutical and Sharps Waste Stewardship Program – SB 212 (Jackson)**

[SB 212](#), by Senator Hannah Beth Jackson, would require manufacturers of covered drugs or sharps, as specified, to establish a pharmaceutical and sharps waste stewardship program. SB 212 grandfathered in local programs in existence prior to April 18, 2018. The major changes include clarifying who ultimately pays for this extended producer responsibility (EPR) program. SB 212 still requires manufacturers to pay for the program; however, in the event the manufacturer is unwilling

to participate (especially if it is located outside of California), then the responsibility to pay for the program will shift to the distributor, wholesaler, and ultimately to the importer of the sharp or covered drug. SB 212 also requires these home-generated sharps to be handled via a mail-back system, at no cost to the consumer; this provision recognizes the difference in the use and collection of used drugs versus used sharps. The Governor signed SB 212 on September 30, with a signing [message](#) that encourages the Legislature to monitor the program closely given ambiguity introduced by late amendments to the bill.

### **Net Neutrality – SB 822 (Wiener)**

The Governor signed into law Senator Scott Wiener’s net neutrality measure, [SB 822](#), which prohibits internet service providers from taking certain actions that impede consumers’ ability to access internet content. The U.S Department of Justice immediately filed suit challenging the state’s authority to enact its own net neutrality provisions.

### **RHNA Reform – SB 828 (Wiener) and AB 1771 (Bloom)**

[SB 828](#), by Senator Scott Wiener, seeks to reform the Regional Housing Needs Assessment (RHNA) process. Although the bill initially attracted significant local government opposition, it was significantly scaled back in early July. The Governor signed the bill on September 30.

[AB 1771](#), by Assembly Member Richard Bloom, alters the process and requirements for developing the methodology for RHNA allocation and adopting an allocation plan. The Governor also signed this measure into law on September 30.

### **Consumer Privacy Clean-up – SB 1121 (Dodd)**

[SB 1121](#), by Senator Bill Dodd, is a clean-up vehicle to AB 375 (Chau), a measure negotiated and enacted in the closing weeks of June as an alternative to a more expansive privacy rights measure that was close to qualifying for the November ballot. The Governor signed SB 1121 into law on September 23.

### **Office of the Medical Examiner – SB 1303 (Pan)**

[SB 1303](#), by Senator Richard Pan, would have – beginning July 1, 2020 – required general law counties with a population of more than 500,000 that operate a coroner’s office or a consolidated sheriff-coroner office to either replace the coroner’s office with an independent office of the medical examiner or refer death investigations to a county with a medical examiner for those cases in which a potential conflict of interest exists. The Governor vetoed the bill earlier this month, arguing that “this decision is best left to the discretion of local elected officials who are in the best position to determine how their county offices are organized.”

### **Smoking Bans – AB 1097 (Levine), SB 835 (Glazer), and SB 836 (Glazer)**

Governor Brown once again vetoed a trio of bills – [AB 1097](#), [SB 835](#) and [SB 836](#) – that would have enacted smoking bans on state beaches and state parks. He notes: “I have vetoed similar measures in each of the last two years. Third time is not always a charm. My opinion on the matter has not changed. We have many rules telling us what we can’t do and these are wide open spaces.” Look for these measures to be reintroduced in 2019.

### **Hospital Issues – SB 1152 (Hernandez), SB 1288 (Leyva), and AB 2798 (Maienschein)**

Governor Brown signed [SB 1152](#), by Senator Ed Hernandez, which requires each hospital to include, as part of its hospital discharge policy, a written homeless patient discharge planning policy and



process. The bill requires hospitals, beginning July 1, 2019, to develop a written plan for coordinating services and referrals for homeless patients. Additionally, the bill requires each hospital, beginning July 1, 2019, to maintain a log of homeless patients discharged and the destinations to which they were released after discharge.

Governor Brown vetoed [SB 1288](#), by Senator Connie Leyva, which would have established statutory fines on hospitals that fail to meet nurse staffing ratios. The Governor cited existing comprehensive evaluations of hospitals and noted that he is “reluctant to start singling out specific violations for a separate penalty.

The Governor signed [AB 2798](#), by Assembly Member Brian, which establishes specific timelines for the Department of Public Health (DPH) to approve applications from hospitals seeking to modify, add, or expand a service or program. DPH will have 100 days complete an evaluation and approve or deny an application. If DPH does not meet those timelines for an expanded service, to deem the application approved and issue a new license that includes the expanded service, the facility that submitted that application will remain licensed for not more than 18 months. The measure also requires DPH to develop a Centralized Applications Unit (CAU) advice program to assist hospitals in completing application paperwork, and to develop an automated system to process applications. AB 2798 was sponsored by the California Hospital Association because of ongoing delays in licensure applications and renewals in every region in the state.

#### **Medi-Cal Eligibility – SB 1108 (Hernandez)**

Governor Brown signed Senator Hernandez’s [SB 1108](#), which requires the Department of Health Care Services to seek future federal Medi-Cal waivers and pilots that aim to either increase the number of Medi-Cal recipients or enhance the medical assistance provided to recipients. As introduced, the bill would have prevented DHCS from securing federal waivers that impose a work requirement for Medi-Cal recipients.

#### **Health Care Coverage – AB 2472 (Wood)**

Governor Brown signed a measure ([AB 2472, Wood](#)) requiring the newly created Council on Health Care Delivery Systems to determine the feasibility of a public health insurance plan option to increase competition and choice for health care consumers. The feasibility report would be due to the Legislature and Governor on or before October 1, 2021. This is the same date that the Council is required to submit a plan to the Legislature for implementing health care delivery system changes, including steps necessary to achieve a unified financing system.

#### **Mental Health Services Act – SB 192 (Beall) and SB 1004 (Wiener)**

Under the provisions of [SB 192](#), by Senator Jim Beall, counties will have to establish a prudent MHSA reserve of not more than 33 percent of the average community services and support revenues in the proceeding five years. The bill requires counties to reassess the reserve every five years. If a county has unspent funds that are deemed reverted and the county has not submitted a plan to the Mental Health Services Oversight and Accountability Commission by January 1, 2019, those funds will revert to the state by July 1, 2019. Governor Brown signed this measure on September 10.

The Governor also signed Senator Scott Wiener’s [SB 1004](#), which requires the Mental Health Services Oversight and Accountability Commission to establish priorities for the use of prevention and early intervention funds by January 1, 2020 and a strategy to monitor implementation of services. Priorities for prevention and early intervention funding include: 1) Childhood trauma

prevention and early intervention to deal with the early origins of mental health needs; 2) Early psychosis and mood disorder detection and intervention, and mood disorder and suicide prevention programming that occurs across the lifespan; 3) Youth outreach and engagement strategies that target secondary school and transition age youth, with a priority on partnership with college mental health programs; 4) Culturally competent and linguistically appropriate prevention and intervention; 5) Strategies targeting the mental health needs of older adults; and 6) Other programs the commission identifies, with stakeholder participation, that are proven effective in achieving, and are reflective of, the goals stated in Section 5840. The bill would authorize a county to include other priorities, as determined through the stakeholder process, either in place of, or in addition to, the established priorities. If the county chooses to include other programs, the bill would require the plan to include a description of why those programs are included and metrics by which the effectiveness of those programs are to be measured.

### Hearings During the Legislative Interim Recess

The following hearings of note are scheduled over the fall.

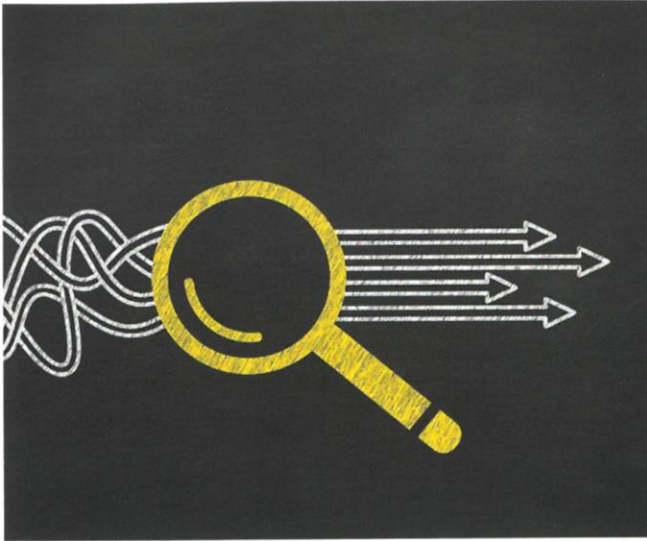
<b>Date / Location</b>	<b>Committee</b>	<b>Topic</b>
Tuesday, October 2 <b>Sacramento</b>	Joint Hearing of Senate Transportation and Housing Committee and Senate Governance and Finance Committee	<i>Informational Hearing</i> – Housing for Working Families: How Do We Pay For It?
Thursday, October 11 <b>Rancho Cucamonga</b>	Assembly Select Committee on Regional Transportation Solutions	<i>Informational Hearing</i> – Securing Transportation Growth Opportunities
Friday, October 12 <b>San Jose</b>	Assembly Select Committee on Hate Crimes	<i>Informational Hearing</i> – Public Hearing on Bias-Related Bullying
Tuesday, October 16 <b>Fresno</b>	Assembly Select Committee on Intellectual and Developmental Disabilities	<i>Informational Hearing</i> – Fresno: Living with Intellectual and Developmental Disabilities

**Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...**

**JEAN HURST**  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

**KELLY BROOKS**  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

**ELIZABETH ESPINOSA**  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)



## Little Hoover Commission Recommendations 25% Completed and Counting

One year following the August 2017 adoption of the Little Hoover Commission’s (Commission) report on special districts, CSDA and other stakeholders have accomplished five of the 20 formal recommendations.

The enactment of SB 929 (McGuire) would mark the completion of a sixth recommendation and passage of AB 2258 (Caballero) a seventh. CSDA recently adopted a support position on AB 2258 after collaborating with the author and California Association of Local Agency Formation Commissions on compromise amendments.

The Commission report followed two hearings, two advisory committee meetings, and 12 months of examination. Recommendations were divided into four sections outlined below along with actions taken in response:

### APPROPRIATE STATE OVERSIGHT

“After significant additional public input and several deliberations, the Commission still largely agrees, as it did in 2000, that keeping or dissolving a special district remains more of a local choice than a choice to be exercised within the Capitol. Governing issues remain, however, and special districts operations can be improved.”

#### Recommendations:

1. Stop overriding LAFCOs – **ONGOING**
2. One-time State grant funding for LAFCOs – **AB 2258 (CABALLERO) INTRODUCED**
3. Enact SB 448 (Wieckowski) RE: inactive districts – **COMPLETED**
4. Enact AB 979 (Lackey) RE: special district representation on LAFCO – **COMPLETED**

5. Fixed-terms for LAFCO commissioners – **TO BE DETERMINED**
6. Simplify and make consistent LAFCO protest proceedings – **IN PROGRESS**
7. Require all districts to have a published policy for reserve funds – **REQUIRED FOR SDLF DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE**
8. Standardize State Controller’s definitions of reserves for reporting purposes – **NEW FTR IMPLEMENTED AND SB 1498 PROPOSAL WILL UPDATE TOP 250 REPORT**

### IMPROVING TRANSPARENCY

“...Commissioners agreed that the goal of increased transparency was not to micromanage or create unnecessary burdens or significant new mandates for special districts but to improve trust in government. Ultimately, it is in the best interest of special districts to ‘tell their story.’”

#### Recommendations:

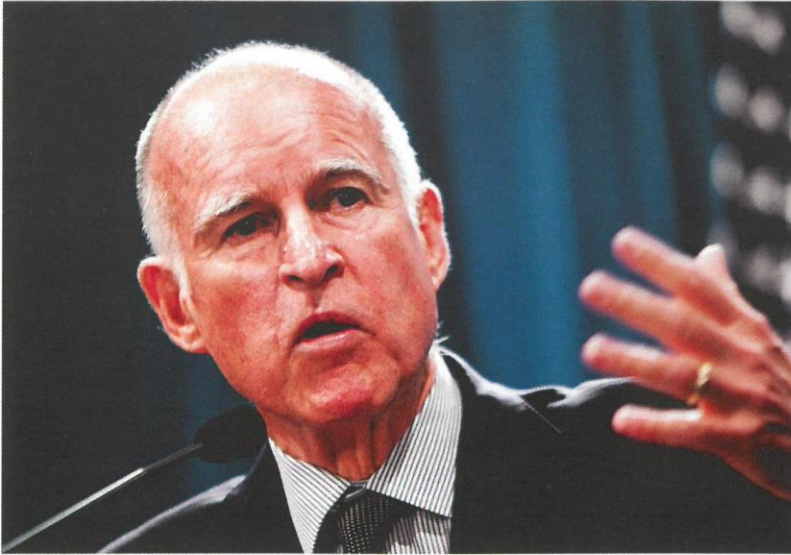
9. Require that every special district have a website – **SB 929 (MCGUIRE) INTRODUCED**
10. Disaggregate State Controller reports for independent special districts – **COMPLETED**
11. CSDA develop best practices for public outreach to serve on district boards – **IN PROGRESS**

In addition to the 11 recommendations above, the Commission put forward six recommendations concerning climate adaptation, stating, “These forward motions by California districts might, in some or even most cases, be among the most advanced nationally for climate change adaptation. Yet, there is clearly more that trade associations for these districts – and also state government – can do to help and also to stay out of their way with regulatory overreach.” CSDA is in the process of researching opportunities to best address the Commission’s recommendations.

CSDA is also working with the Association of California Healthcare Districts to best respond to three recommendations related specifically to healthcare districts.



Look for the updated Take Action brochure, designed to equip district leaders for grassroots advocacy and public outreach, at upcoming CSDA events, conferences, or when speaking to your public affairs field coordinators.



## CSDA Sponsored SB 929 Awaits Governor's Signature

As autumn arrives, legislators prepare to leave their Sacramento offices and return to their home districts where campaigns hit full stride for the November election. The Legislature's final recess began on August 31 and the Governor now has until September 30 to sign bills into law. Among those measures is CSDA-sponsored SB 929, authored by Senator Mike McGuire.

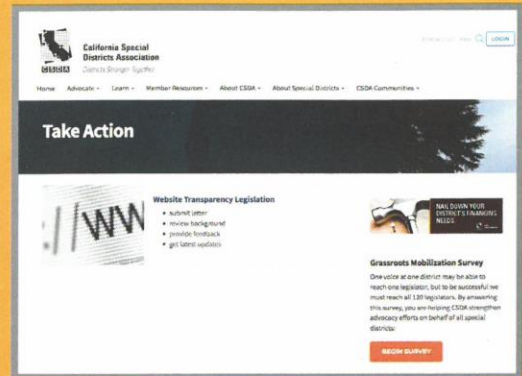
SB 929 will increase the awareness, accessibility, and transparency of special districts by requiring all independent special districts to have a website by 2020, while also ensuring local flexibility and recognizing the cost barriers and limitations of some communities, including lack of broadband.

Thanks to CSDA efforts and many letters of support from special districts throughout the state, SB 929 received overwhelming bipartisan support in the Legislature. Your district can express its support for SB 929 and special district transparency by downloading a sample letter from [csda.net](http://csda.net) and joining CSDA in requesting the Governor's signature.

## TAKE ACTION

### Fall

- Attend the Closing Breakfast at the CSDA Annual Conference on Thursday, September 27 to hear an update on legislation impacting special districts.
- Invite your local legislators to your community events and host them for a tour of your district facilities. Find the legislators representing your district by visiting [csda.net](http://csda.net) and clicking on "My Advocacy" under the "Advocate" drop-down menu. Contact CSDA if you need help scheduling a meeting.
- Promote the Districts Make the Difference 2018 Student Video Contest and make sure to vote for your favorite video in November at [www.DistrictsMakeTheDifference.org](http://www.DistrictsMakeTheDifference.org).



## How to Take Action at [csda.net](http://csda.net).

A new component of CSDA's website is the *Take Action* page. Simply navigate to the *Take Action* page from the top navigation, "Advocate" button and you will quickly see a series of actions the association would like you to take, depending on the issue.

Currently there are two issues on the site that CSDA is asking membership to *Take Action*:

### November 2018 Taxes and Fees Restriction Initiative - Withdrawn

- review details of the compromise
- read summary

### Website Transparency Legislation

- submit letter
- review background
- provide feedback
- get latest updates



## Join *Advocacy News* at [csda.net](http://csda.net)

Want to keep current on the hottest issues affecting special districts? Get the *Advocacy News* delivered straight to your inbox by signing up online at [csda.net](http://csda.net).

Choose to receive real-time notifications or daily summaries and never miss out on breaking news again!

**REPORTS**  
Communication Only

SAVE THE DATE | Thursday, October 11, 2018

# CHECK YOUR MOOD DAY

*Good mental health starts with you. How are you feeling?*

Check Your Mood Day is an annual event to engage and encourage San Diegans to assess and monitor their emotional well-being.




Getting screened for depression is an important part of healthcare checkups, much like getting your blood pressure checked or being screened for heart disease or diabetes.

Check Your Mood screenings are not diagnostic tools; however, they are a quick, easy and anonymous opportunity to find mental health assistance, resources and referrals.



## On Thursday, October 11, 2018

go online or visit a community site near you to:

-  Take a FREE and anonymous Check Your Mood screening
-  Learn more about depression and other types of mental illnesses
-  Get informed of mental health resources available in San Diego County

For more information about Check Your Mood Day and participating community sites, please visit:

[www.LiveWellSD.org/CheckYourMood](http://www.LiveWellSD.org/CheckYourMood)



**BEHAVIORAL HEALTH  
WORK TEAM**  
COMMUNITY HEALTH IMPROVEMENT PARTNERS  
*making a difference together*

**MHA**  
Mental Health America



Up2SD.org

COUNTY OF SAN DIEGO  
**HHSA**  
HEALTH AND HUMAN SERVICES AGENCY

 **LIVE WELL  
SAN DIEGO**

# EL DÍA PARA REVISAR SU ESTADO DE ÁNIMO

*La buena salud mental comienza con usted. ¿Cómo se siente?*

El Día para Revisar Su Estado de Ánimo es un evento anual donde se les invita a los residentes de San Diego que evalúen y monitoreen su salud emocional.

Las pruebas para detectar la depresión son una parte importante de los chequeos de salud, tal como lo son los exámenes de la presión arterial, las enfermedades del corazón y la diabetes.

Las evaluaciones de Revisar Su Estado de Ánimo no son herramientas de diagnóstico; sin embargo, son una manera rápida, fácil y anónima de encontrar ayuda, recursos y referencias de salud mental.



Visite un sitio comunitario cerca a usted

## el jueves, 11 de octubre del 2018:



Complete una evaluación para Revisar Su Estado de Ánimo GRATIS



Aprenda más sobre la depresión y otros tipos de enfermedades mentales



Infórmese acerca de recursos disponibles para la salud mental en el Condado de San Diego

Para más información sobre El Día para Revisar Su Estado de Ánimo y los sitios comunitarios que están participando, por favor visite:

[www.LiveWellSD.org/CheckYourMood](http://www.LiveWellSD.org/CheckYourMood)



**BEHAVIORAL HEALTH  
WORK TEAM**  
COMMUNITY HEALTH IMPROVEMENT PARTNERS  
*making a difference together*



Up2SD.org



**New Location**



**New Location**

**Thursday, October 4, 2018**

**The Wellness Center**

**1636 E. Mission Rd.**

**6:00 p.m. – Social & Refreshments**

**6:30 p.m.—7:30 p.m. Presentation/Door Prizes**

**Sponsored by**

**Fallbrook Regional**  
**HEALTH  DISTRICT**

*Featured Presentation:*

***“Breast Health & Early Detection”***

*October is Breast Cancer Awareness Month and we are privileged to have Kim Gerrish of Michelle’s Place providing our October presentation. Learn the most recent information about early detection and services available for those with breast cancer.*

*Presenter:*

***Kim Gerrish, CFRE***

***Executive Director of Michelle’s Place***

**Free Event including Refreshments • Door Prizes**

**Please Note: No need for Reservations at this time**

**Please plan to attend and bring a friend!**

**Questions? Contact Pam Knox at [pknox@fallbrookhealth.org](mailto:pknox@fallbrookhealth.org)**

**Or call 760-731-9187**



## Supporters pack sold-out Hospice of the | Salmon elected chairman

# Salmon elected chairman of Association of California Healthcare Districts

FALLBROOK – The Association of California Healthcare Districts announced its 2018-19 leadership during the its 66th annual meeting in Pismo Beach, Sept. 13-14.

The Board of Directors elected Fallbrook Regional Health District Trustee Howard Salmon to serve as chair, Pioneers Memorial Healthcare District Trustee Linda Rubin to serve as vice chair, Tahoe Forest Health System CEO Harry Weis to serve as treasurer, Beach Cities Health District Trustee Dr. Michele Bholat as secretary and West Side Health Care District Executive Director Jerry Starr as member at-large.

Salmon’s career in health care includes tenures as a hospital CEO, a health care executive and management consultant. Salmon received his master’s degree in health care administration from the University of Minnesota. He is a fellow of the American College of Healthcare Executives and is certified in that field. He and his wife Leslie moved to Fallbrook in 2011.

He was first elected chair of ACHD in September 2017.

At the same time as the election, ACHD honored Grossmont Healthcare District, which serves San Diego County’s eastern region, with its District of the Year award



*FRHD trustee*      *Courtesy photo*  
*Howard Salmon is the chair of the board of the Association of California Healthcare Districts*

for the program Seniors in Crisis, a collaborative effort focused on Alzheimer’s care. It’s estimated more than 64,000 San Diegans have Alzheimer’s or other forms of dementia.

Recognizing the severity of the disease, Grossmont Healthcare District partnered with a local hospital, and city and county agencies to support subject matter experts in Alzheimer’s treatment and care.

# LOCAL

## Community leaders recognized by Sen. Anderson



Recipients of Senate certificates of recognition presented by Sen. Joel Anderson, center, include, from left, Jean Dooley, Janice Bricker, Kim Murphy, Courtney Provo, Vince Ross, Roy Moosa, Anderson, Ann Wade, Lucette Maramarco, Susan Liebes, Bobbi Palmer and Stephen Abbott.

### Jacob Terenzini

Special to the Village News

On Sept. 20, Fallbrook's State Senator Joel Anderson attended the Fallbrook Community Forum with about 40 community members. The meeting is held at the Fallbrook Public Utility District board room and is a unique monthly meeting of civically engaged community leaders that tackle local issues through collaboration and a spirit of service.

In the most recent forum, Marta Donovan, with the Fallbrook Beautification Alliance, gave a presentation on a new program, "Keeping Fallbrook Litter-Free," which aims to keep Fallbrook beautiful for generations to come.

Afterward, Anderson took a moment to thank local leaders in attendance by presenting them with Senate certificates of recognition in honor for their work to improve their community. The recipients included the forum's chairman and co-chair, Vince Ross and Roy Moosa, Jean Dooley of the Angel Society and Fallbrook Food Pantry, Lucette Maramarco of the Village

News, and several more that were in attendance and a dozen more from the community that could not attend Thursday's meeting.

Anderson shared, "Fallbrook is a strong and beautiful community because of community leaders who roll up their sleeves and do whatever it takes. It was my honor to recognize the special volunteers during the Fallbrook Community Forum, and it was also fantastic to have some robust discussions about state government with the attendees."

Attendees had the opportunity to ask a variety of questions of Anderson regarding state government, from the DMV to the Californian budget, and he shared some additional updates about legislation currently pending before the Governor.

For more information or to share your comments or questions, you can visit his website at [senate.ca.gov/Anderson](http://senate.ca.gov/Anderson), contact his San Marcos office at (760) 510-2017, or email [senator.anderson@sen.ca.gov](mailto:senator.anderson@sen.ca.gov).



State Senator Joel Anderson, second from right, talks to local residents after the September Community Forum meeting.

Courtesy photos

# Free prostate cancer screenings available Sept. 29

FALLBROOK – The Fallbrook Regional Health District announced that this year's free prostate cancer screening is scheduled for Saturday, Sept. 29, 7 a.m. to 9 p.m. at Fallbrook Family Health Center, 1328 S. Mission Road.

Prostate cancer is the most common cancer among men in the United States after skin cancer. It competes with lung cancer as the leading cause of death among men.

A screening is an indicator that additional medical attention may be warranted; this free screening includes a blood test and an exam.

Dr. Philip Brodak of the Tri-Valley Urology Medical Group is the physician in charge. He and the Fallbrook Regional Health District are again teaming up this year with the Fallbrook Family Health Center to offer a free prostate cancer screening opportunity. The PSA blood study and digital exam are provided at no charge to men who live in Bonsall, De Luz, Fallbrook or Rainbow. It is recommended that men over the age of 50 have a prostate screening on an annual basis. Men who have a family history of prostate cancer should begin to have evaluations at least by age 40.

Results of the exam and blood study are confidentially provided

to each participant. Follow-up on results of the studies is the responsibility of each individual.

Approximately 1,400 free screenings have been provided to individuals over the last 10 years. Brodak contacts all individuals with abnormal findings so that they can contact their physician. Each individual must follow-up with his physician when abnormal results are reported to him. If an individual does not have a physician, they can follow up with Brodak, the Fallbrook Family

Health Center or a professional of their choice.

The district urged all men to consider the screening as it applies to them – either by age or by family history – and to invest their time in their personal health and well-being. Appointments are recommended to assure participation. Call to schedule an appointment in English at (760) 731-9187 and in Spanish at (760) 451-4728.

*Submitted by Fallbrook Regional Health District.*

## HEALTH

## WOW features benefits of long-term care insurance

**Lucette Moramarco**  
Associate Editor

Before the last Woman of Wellness presentation at Fallbrook Library Sept. 6, Fallbrook Regional Health District board member Barbara Mroz presented Fallbrook Library branch manager Kris Jorgensen with a basket of succulents as a thank you to the library for hosting WOW the last three and a half years. Sponsored by FRHD, the event will be moving to the Fallbrook Wellness Center starting Oct. 4.

For the September event, local insurance agent Marc Sigmon talked about long-term care insurance and how to "Make the most of tomorrow by making smart choices today". A Navy veteran, Sigmon became interested in the insurance field when his mother needed help with her Medicare paperwork; he learned about her options and enjoyed helping her.

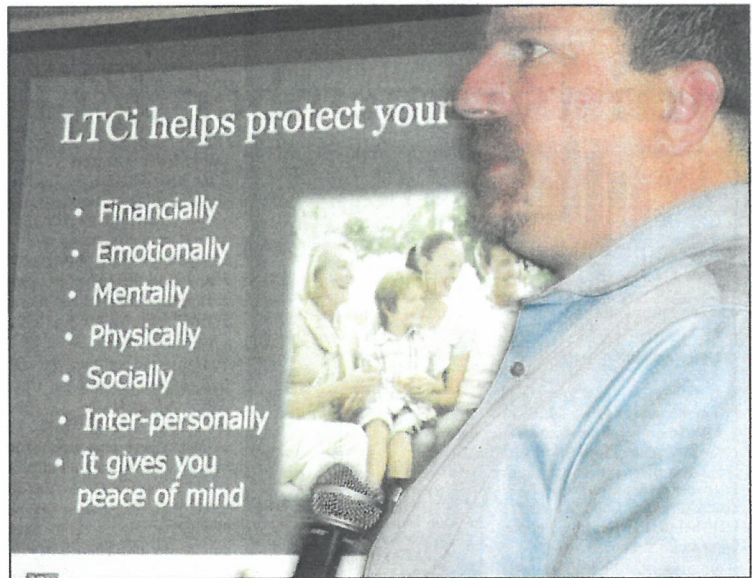
While the turnout for WOW was below average, there were several newcomers in the audience to hear about long-term

care insurance. Sigmon promised that he wasn't going to try to sell anything. He is a member of the VFW and is willing to help veterans with any questions they have about Medicare or insurance.

Sigmon encouraged everyone to "envision your retirement... Think about tomorrow and who's going provide the care and where." He pointed out that things can change; three out of four people will need some sort of long-term care as they age.

According to Sigmon, nationwide, the costs are higher for women; as they live longer, they are more likely to need long-term care than men. He also said that in California right now, rates are the same for men and women. So, now is the time to realize your goals, minimize your risks and provide financial security.

Sigmon explained that long-term care includes a variety of services to help meet both medical and non-medical needs like bathing, eating, dressing, and toileting for 90 days or more. It also includes having someone manage your medications,



Insurance agent Marc Sigmon explains the benefits of long-term care insurance during the Woman of Wellness event Sept. 6.

Lucette Moramarco photo

transport you to appointments or the grocery store, take care of housekeeping, and manage your money.

Available care providers, besides family and friends, include adult daycare facilities, home health care agencies, residential care facilities, skilled nursing and hospice. He said that if you are admitted to a hospital for three days and the doctor then prescribes skilled nursing care, Medicare will pay for the first 20 days and then 80 percent for the next 80 days.

Sigmon reminded everyone that "caring for a loved one takes time, patience, love and money; it may cause emotional and financial stress for you and your loved one." Frequently, he added, the caretaker/survivor dies within a year of their spouse. So, it's a good idea to plan ahead for long-term care.

He reviewed some funding options for that care, usually Medicare or health insurance. In California, Medicaid is known as MediCal, neither of which is intended to pay for custodial care. While MediCal will cover acute care – a three night in-patient hospital stay, MediCal chooses where you get care.

With Medicare Advantage, they pay the bills, but you have to stay in their network. While it has limited home health services, it does pay for durable medical equipment when you are receiving homecare under Part A. Basic care as with help with bathing, dressing and using the toilet is not covered.

Sigmon pointed out that there are financial requirements involved in qualifying for Medicaid/MediCal and officials

review five years worth of the applicant's financial history. Self-funding is a default option, carries unlimited risk and means out of pocket expenses and possible taxes, he said.

On the other hand, he continued, "Long-term care insurance will help protect your assets and income, enable you to stay at home for as long as possible, limit the emotional and financial burden on your family, and enable you to control or have options on where you receive care."

Furthermore, LTCi covers home care, adult day care and residential care facilities. It avoids the hospital requirement, income and asset requirements and taxation and total liquidation.

The biggest concern people have is the possibility of running out of money. As the minimum wage goes up over the next four years, Sigmon said, the cost of care is going to go up. Long-term planning gives people choices and can be customized per person with the insurance agent working with their accountant and lawyer especially if they have a trust.

He also said that there are special needs trusts that hold assets so an individual with special needs will still qualify for care paid for by MediCal. LTCi helps protect people while giving them peace of mind.

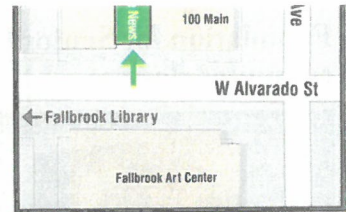
The average cost per day of care at an assisted living facility is \$4-5,000 a month while nursing care can cost as much as \$9-12,000 a month. If care ends up costing more than expected, Sigmon said, social security, IRA's and pensions can supplement LTCi.

For more details, individuals should consult their insurance agent.

# Fallbrook & Bonsall VILLAGE NEWS

ALSO SERVING THE COMMUNITIES OF DE LUZ, RAINBOW, CAMP PENDLETON, PALA, AND PAUMA

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September 13, 2018

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Volume 22, Issue 37

## Fallbrook Regional Health District breaks ground at new site



Participants in the official groundbreaking for the Fallbrook Wellness Center Sept. 5 include, from left, Fallbrook Regional Health District executive director Bobbi Palmer, and board directors Howard Salmon and Bill Leach. The center is located at 1636 E. Mission Road. See more information and photos on page B-2.

Ahrend Studios photo

# Fallbrook & Bonsall VILLAGE NEWS

Section B

ALSO SERVING THE COMMUNITIES OF DE LUZ, RAINBOW, CAMP PENDELTON, PALA, AND PAUMA

September 13, 2018

www.VillageNews.com

Volume 22, Issue 37

## Health screenings, alpacas and yoga help celebrate groundbreaking day

Lucette Moramarco  
Associate Editor

As part of Fallbrook Regional Health District's day-long groundbreaking celebration Sept. 5, it held a Wellness Fair at the site of the new Fallbrook Wellness Center, 1636 E. Mission Rd. Various activities were available at booths set up around the property, manned by local nonprofits and service organizations.

Health screenings, including blood pressure, glucose, and BMI, were offered by nursing students from Cal State San Marcos and Fallbrook Smiles Project. Dental and children's vision screenings were done by Fallbrook Family Health Center, Vista Community Clinic and the UCSD EyeMobile.

Nonprofits handing out information included Michelle's Place, Palomar Family Counseling, Southern Caregiver Resource Center, Fallbrook Food Pantry, Fallbrook Senior Center, Foundation for Senior Care, Fallbrook Land Conservancy, Be Well Therapy, Fallbrook Citizens Crime Prevention Committee and Boys & Girls Clubs of North County.

Information made available

included flyers on the monthly farm workers screenings provided by Fallbrook Family Health Center and new acupuncture treatments for low income residents at Neighborhood Healthcare, both on South Mission Road.

Several free sessions of yoga and chair yoga were offered by Be Well Therapy and Sandra Buckingham respectively in the Yoga Room inside the Health Under One Roof building (the former school). Games and coloring books were also available as well as backpacks for the first 50 children to visit the Wellness Fair.

Out in the west end of the property, visitors found free produce provided by a local CSA and a petting zoo presented by Garden of Eden. Fruits and vegetables that were available included two kinds of grapefruit, avocados, eggplant, okra, and peppers, was available from a local CSA farm during the wellness fair. Animals in the pen included two alpacas, a sheep, a goat, two ducks, guinea pigs and two small dogs, all of which were popular with adults besides the children.

For photos and information on the groundbreaking ceremonies, see page B-2.



Fallbrook residents, from left, Jeanne Meadows, Nancy Burnett, Barry Meadows and Marlene Sudomir, pick up information from Fallbrook Regional Health District's booth at the Wellness Fair, Sept. 5.



Cal State San Marcos nursing students Juliana Ferri and Arny Swiger talk to visitors about the amount of sugar in different products. The can of coke has more sugar than any of the candy on the table.



Nursing student Jennice Christy displays a model of an artery with built up plaque and fat, caused by eating a high fat diet.



FRHD board member Barbara Mroz visits with two alpacas in the petting zoo provided by Garden of Eden Mobile Petting Zoo.

Lucette Moramarco photos



Sydney Fleunval and cousin Anastasia Jolimeau show off their new backpacks courtesy of Fallbrook Regional Health District at the Wellness Fair.



Fallbrook Food Pantry board secretary Cathy Conrad is ready to hand out information on the pantry's services as well as nutrition details for different foods. She also ran a bean toss game for children.

## HEALTH

### Fallbrook Regional Health District breaks ground on new facility



Representatives of the Fallbrook Food Pantry and Fallbrook Chamber of Commerce help pantry executive director Shae Gawlak, center left, and FRHD executive director Bobbi Palmer, center right, with a ribbon-cutting for the pantry's new truck, during the groundbreaking ceremonies.



*Nursing student Chelsea Helmsin gets a sticker ready for a young visitor in the health screenings area of the Wellness Fair.*



*Children and nursing students enjoy interacting with the animals in the petting zoo provided by Garden of Eden.*

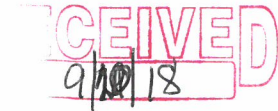


*A directional sign indicates where different areas are planned at the site of the Fallbrook Wellness Center.*



September 13, 2018

Mr. Gordon Tinker  
President  
Fallbrook Regional Health District  
138 S. Brandon Road  
Fallbrook, California 92028



**Re: President's Special Acknowledgement Award – Property/Liability Program**

Dear Mr. Tinker:

This letter and enclosed certificate are to formally acknowledge the dedicated efforts of the Fallbrook Regional Health District's Governing Body, management and staff towards proactive risk management and loss prevention training for earning the President's Special Acknowledgement Award! The Award is to recognize members with no "paid" claims during the prior **five consecutive program years** in the Property/Liability Program.

A "paid" claim for the purposes of this recognition represents the first payment on an open claim during the prior program year and excludes property claims. Your agency's efforts have resulted in no "paid" property/liability claims for the prior 5 consecutive program years including 2017-18. This is an outstanding accomplishment that serves as an example for all SDRMA members!

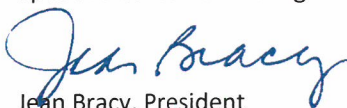
It is through the efforts of members such as Fallbrook Regional Health District that SDRMA has been able to continue providing affordable property/liability coverage to over 505 public agencies throughout California. While 428 members or 85% in the property/liability program had no "paid" claims in program year 2017-18, 261 members or 52% had no paid claims for the prior 5 consecutive years.

In addition to this annual recognition, members with no "paid" claims during 2017-18 earned 2 credit incentive points (CIPs) reducing their annual contribution amount and members with no "paid" claims for the prior 5 consecutive program years earned 3 additional bonus CIPs. Also, members with no "paid" claims for at least 3 consecutive program years may receive a lower "risk factor" which also helps to reduce the annual contribution amount.

Included with this letter and certificate is your press release template so your agency may showcase this important accomplishment.

On behalf of the SDRMA Board of Directors and staff, it is my honor to congratulate your Governing Body, management and staff for your commitment to proactive risk management and loss prevention training.

Sincerely,  
Special District Risk Management Authority



Jean Bracy, President  
Board of Directors



**Fallbrook Regional HEALTH DISTRICT** Free Screening for residents of Bonsall, De Luz, Fallbrook and Rainbow

**FREE PROSTATE CANCER SCREENING**  
Includes PSA Blood Test and Digital Exam  
**Saturday, September 29 • 7am-9am**

**Fallbrook Family Health Center**  
1328 South Mission Road  
Next to Northgate Market

Digital and PSA screening is recommended annually for men over the age of 50 and for men over 40 with a family history of prostate cancer.

**CALL 760-731-9187 FOR AN APPOINTMENT**

**Fallbrook Regional HEALTH DISTRICT** Gratis para los residentes de Bonsall, De Luz, Fallbrook y Rainbow

**PRUEBA DE CÁNCER DE PRÓSTATA GRATIS**  
La Prueba Gratis Incluye Examen de Sangre PSA y Examen Digital  
**sábado, 29 de septiembre • 7am-9am**

**Centro de Salud Familiar de Fallbrook**  
1328 South Mission Road  
cerca de la tienda Northgate Market

Examen digital y PSA se recomienda anualmente para los hombres mayores de 50 años de edad y para los hombres mayores de 40 años con antecedentes familiares de cáncer de próstata.

**LLAME AL 760-451-4728 PARA UNA CITA**

**Ribbon Cutting!**  
 Tuesday, September 11  
 11:00 am - 12:00 pm



**Fallbrook Senior Center**  
 399 Heald Lane  
 Fallbrook  
 Exercise Patio

Cut a ribbon with us!

Celebrating the opening of the new Exercise Patio  
 \*Light refreshments will be served

Ribbon cutting and photo at 11:30 am



For more information, call 760/728-5845  
[www.fallbrookchamberofcommerce.org](http://www.fallbrookchamberofcommerce.org)

# FALLBROOK SENIOR CENTER

## Fallbrook Senior Center Mobility/Exercise Program



The Exercise Patio is a result of Community Health Contract #302 for \$12,600 with the Fallbrook Regional Health District during fiscal year 2017-2018.

The Exercise Patio provides a safe area to exercise with permanently installed equipment to help seniors be proactive in the prevention or reversal of diseases such as type 2 diabetes, heart disease, stroke and cancer.





Serving Bonsall, De Luz, Fallbrook and Rainbow

## Fallbrook Regional Health District Hosting Groundbreaking Ceremony

Public Invited to Health Fair, Backpack Giveaway at Future Fallbrook Wellness Center

FALLBROOK, Calif. (August 17, 2018) ---- Fallbrook Regional Health District invites the public to join in a groundbreaking ceremony to mark the future home of the Fallbrook Wellness Center, 1636 E. Mission Road. The ceremony commences at 4 p.m. on Wednesday, September 5.

The groundbreaking will include members of the District Board of Directors, state and local dignitaries, and District community leaders who will assist in turning the first shovels of dirt, kicking off the remodeling of the facility. Officials will also plant an avocado tree to mark the occasion.

"We're eager to get our hands dirty and start transforming this facility into the jewel of wellness for people of all ages," said CEO Bobbi Palmer of the Fallbrook Regional Health District.

Learn more about the groundbreaking at [www.fallbrookhealth.org](http://www.fallbrookhealth.org).

Earlier at the site, the public will be treated to a Wellness Fair beginning at 10 a.m., including free health screenings, locally-grown fruits and vegetables, petting zoo, yoga and a backpack give away to the first 50 children in attendance.

The District Board of Directors approved the purchase of the facility earlier in 2018 for \$1.8 million, an investment to serve the community as an indoor-outdoor health educational center. The center will house several organizations, including the Fallbrook Food Pantry and the Foundation for Senior Care, which will be hosting a ribbon cutting and a citrus basket exchange with the District following the groundbreaking ceremony.

"This is a day to celebrate all the great relationships coming together for the betterment of our District," Palmer said. "We're so blessed to have such gifted and dedicated professionals and volunteers alike."

Fallbrook Regional Health District is a special district covering affordable community health needs for residents of Bonsall, De Luz, Fallbrook and Rainbow. The roughly \$1.6 million collected in voter-approved taxes supports more than \$1 million annually in full spectrum community health services addressing top health disparities, including behavioral health, cancer, diabetes, heart disease and stroke, as well as extended hour urgent care.

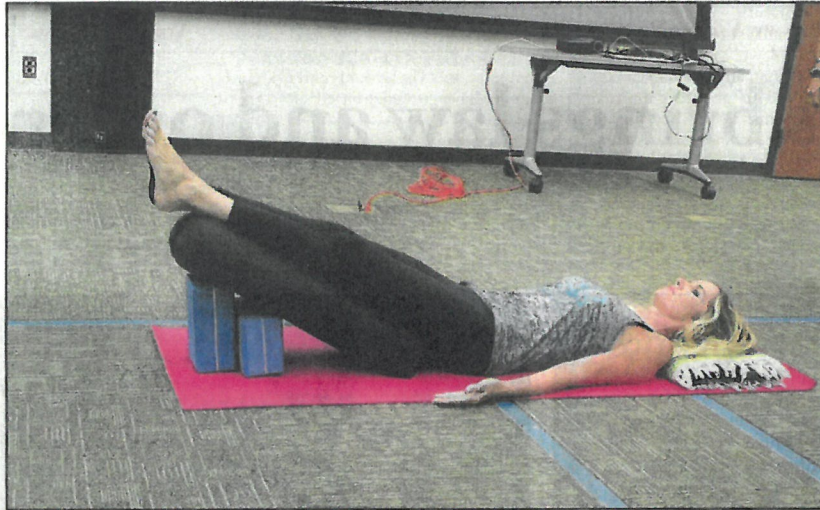
The September 5 activities schedule includes:

- 10 a.m. to 4 p.m.: Wellness Fair
- 4 p.m.: Groundbreaking Ceremony
- 4:30 p.m.: Ribbon cutting with the Fallbrook Food Pantry
- 5 p.m.: Citrus basket exchange with the Foundation for Senior Care

For more information, contact the Fallbrook Regional Health District at (760) 731-9187 or [pknox@fallbrookhealth.org](mailto:pknox@fallbrookhealth.org).

# HEALTH

## How yoga helps cancer survivors



Using gravity inversion to drain the lymph system is demonstrated by Deb, a yoga student of Be Well Yoga.

**Lucette Moramarco**  
Associate Editor

The attendees of the Aug. 2, Woman of Wellness program learned how yoga can help cancer patients and survivors heal and recover from their treatment. Sponsored by Fallbrook Regional Health District, the presentation at Fallbrook Library featured Heidi Borsch and Mary Baker, founders of Be Well Yoga for Cancer Recovery.

Both ladies have lost relatives to cancer so are aware of the toll cancer treatments take on one's body. They started the nonprofit five years ago and offer their classes on a pay-as-you-can basis; fundraising and donations pay for their teachers.

In explaining "How Yoga Benefits Those Recovering from Cancer," Borsch and Baker talked about the 10 ways yoga helps people. (Each member of the audience was given a handout with the information on it and blank spaces to fill in during the talk, to help them follow along.)

Borsch said the first is detoxification, "the process by which toxins (potentially

harmful substances/cells/waste) are changed into less toxic and/or extractable substances." This is done through movement, gravitational force and resistance. Inversion, placing one's feet above their head, helps lymph fluid drain and reverse blood flow to the heart.

Twisting the body wrings out lymph fluid from the organs, taking toxins with it. Borsch said the lymph system is like a garbage waste system, collecting toxins from the organs and flushing them out, with four liters of lymph fluid being eliminated each day in one's urine. That fluid can collect in one's extremities, especially if lymph nodes have been removed because of cancer, which is why twisting exercises are needed, she explained.

Yoga also helps the body to build strength over time without harmful pressure on bones that may be weakened from chemotherapy. Balancing poses are good for building strength and are important "to all of us as we mature. We don't age, we mature," Borsch added.

Range of motion and flexibility are also increased through the

practice of yoga done with gentle, slow movements. Furthermore, yoga can help strengthen the spine, something that is very important to anyone going through chemotherapy which is hard on bones.

Because chemo and other cancer treatments can compromise the immune system, the goal of yoga is to strengthen all eight systems of the body (endocrine, lymphatic, cardiovascular, nervous, musculoskeletal, digestive, respiratory and skin) to improve one's immunity. Baker said that the respiratory system is the only one that people can control and that most do not breathe deeply enough.

One of the exercises they had the audience do, beside simple chair yoga moves, was breathing deeply and exhaling for relaxation.

Another benefit of yoga is

weight management. Weight gain, Baker said, is another side effect of cancer treatment and can be a sign that the cancer has come back. Increasing the amount of exercise one gets from the standard recommendation of 150 minutes a week to 300 minutes reduces the chance of a recurrence, she added.

Yoga provides another way to manage pain for everyone to manage pain for everyone when done regularly. While cancer does not typically cause pain, Baker said, the treatments of surgery, chemotherapy and radiation do cause pain as does inactivity during treatment. She said, "Getting the bodies moving is important!"

Yoga can also provide mental and emotional benefits, helping to manage fear and anxiety while enhancing one's body image, feelings of empowerment and well-being. For their yoga students, Baker said, "We can give them the hope and belief that they too can take on the world - because they can!"

They showed a video of some of their yoga students telling what Be Well Yoga classes mean to them. One woman said that after she lost her hair to chemo she "couldn't go back to a regular yoga class." Now the class she attends is a community of women who also have scars and some bald heads. This kind of support system is an important part of recovery Borsch said.

She also said, "Self-love is a journey, not a destination. It is important to find a new normal and learn how to love life again."

A Be Well Yoga class is offered at Sage Yoga in Fallbrook on Tuesdays, 10:30 - 11:30 a.m. All are welcome to attend regardless of ability to pay.

In Temecula, two classes

are offered on Wednesdays, 11 a.m. to noon at Temecula Yoga Collective and 1:30 to 2:30 p.m. at Home Yoga, Old Town. Michelle's Place in Temecula offers two classes: Thursday, 4:30 to 5:30 p.m. and Saturday, 9:30 to 10:30 a.m.

For more information, visit [www.bewelltherapy.net](http://www.bewelltherapy.net) or email [info@bewelltherapy.net](mailto:info@bewelltherapy.net).

Women and men are invited to attend Woman of Wellness each first Thursday of the month at the Fallbrook Library Community Room. A social time begins at 6 p.m. followed by the presentation at 6:30 p.m. This is a free event with light refreshments and door prizes. Donations of non-perishable food items are collected for the Fallbrook Food Pantry.

For more information, email [pknox@fallbrookhealth.org](mailto:pknox@fallbrookhealth.org).



Instructor Lucette Moramarco photos Heidi Borsch leads the WOW audience in a controlled breathing exercise during the WOW program.

## Michelle's Place offers Walk of Hope in support of cancer patients



The Michelle's Place Walk of Hope shows community support for caretakers, cancer patients and their families. This year's walk will take place Sunday, Sept. 23.

Courtesy photo

**Halle Kowalewski**  
Writer/Intern

For years, Michelle's Place has offered programs and services to aid citizens of Temecula who suffer from breast cancer. Now, they are looking for community support in their aim of serving an even broader community.

On Sept. 23, Michelle's Place will host its second annual Walk of Hope. This 5-kilometer walk will publicize the many programs that the organization offers and will provide local individuals with a support network. It will also raise funds for many of the organization's new programs, which benefit individuals who suffer from any form of cancer.

Participants are encouraged to join fundraising teams, which raise money as a group and walk together on the day of the event. Teams may contain as many members as desired. Last year's most successful team, "Candy Crush," was comprised of 81 members and raised \$1,800.

Though this is only the second Walk of Hope that Michelle's Place has hosted, the organization promises to pull out all the stops. A T-shirt cutting station and photo booth will both be set up before the

walk. A dog zone, a small grassy area where participants' pets can play during the walk, will also be available. Crimson Crow, a self-described "modern rock and dance band" will be performing before and after the 5k.

Food will also be served. Several Vail Headquarters residents, including smoothie shop Juice It Up, will offer free samples to racers. In the past, racers have been known to arrive early and hold an informal tailgating party in the Vail Headquarters parking lot before the event.

After everyone completes the 5k, an award ceremony will be held. The most prestigious award will be given to the group which raises the most funds. Other awards will go to the best-dressed dog and the best-decorated stroller.

Ashlee Collins, Communications Director of Michelle's Place, said the Walk of Hope will show the community's support for caretakers, cancer patients and their families. "That's who we are and that's what we hope to present to the community. That we are here for everybody."

In addition to fundraising, this event was designed to bring awareness to Michelle's Place and its role in the community.

"People need to know that we're here and that we offer so much more than just a medical environment. It's important that they know that they can come here and that we are a resource," Collins said.

Michelle's Place offers assistance to people with all forms of cancer. They also offer resources such as financial assistance and wigs to all who need it.

When Michelle first envisioned the organization, she imagined a group of people that ensured that "no one would face cancer alone." Michelle's Place is broadening their focus and working on extending their full services to everyone. Collins said that though the shift will be an "undertaking," it has always been part of the plan.

Individuals can support the organization by participating in the Walk of Hope. Other opportunities include selecting Michelle's Place as your charity of choice when shopping on Amazon Smile or donating directly. The organization also welcomes support through volunteer work.

Walk of Hope registration information, as well as information about volunteer opportunities can be found at [michellesplace.org](http://michellesplace.org).

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## Sigmon to talk at Woman of Wellness program

FALLBROOK – Marc Sigmon, an agent with New York Life Insurance Company, will speak at the Woman of Wellness program, Thursday, Sept. 6. Sigmon's topic is "Make the most of tomorrow by making smart choices today."

As people age, their day-to-day needs often increase and can be costly for both the elder person and their family. The presentation will explain long-term care options that are available now and can help in the future. It is strictly an opportunity to be educated about options.

Fallbrook Regional Health District invites the community to attend Woman of Wellness every first Thursday of the month at the Fallbrook Library community room. Social time begins 6 p.m., and the presentation begins 6:30 p.m. followed by light refreshments and door prizes. Donations of nonperishable food items are collected for the Fallbrook Food Pantry.

*Press release submitted by  
Fallbrook Regional Health  
District*



RECEIVED  
8/10/18

August 7, 2018

Fallbrook Regional Health District  
138 South Brandon Road  
Fallbrook, CA 92028

Dear Fallbrook Regional Health District;

Thank you for your generous donation of \$17,062.50 to REINS Therapeutic Horsemanship Program. Your thoughtful contribution allows us to continue to provide a unique therapy for our students and also expand our program to reach more students.

Through the generosity of donors, we have been fortunate to serve the disabled community for more than 34 years. REINS has grown to provide over 8,000 quality therapy lessons annually and we welcome almost 200 students weekly. We have earned the distinction of being ranked in the top 24 Therapeutic Horsemanship programs in the United States within PATH International's 844 programs!

We invite you to come see the difference REINS makes in the lives of our students and their families through your support. The program operates Monday through Saturday and visitors are always welcome. Seeing our program first hand is an amazing experience.

Again, thank you for your contribution.

In Appreciation,

A handwritten signature in blue ink that reads "Canece Huber".

Canece Huber  
Technology & Event Coordinator  
[canece@reinsprogram.org](mailto:canece@reinsprogram.org)



*Hanna gives a wave to say THANK YOU!*

*This acknowledges your contribution of **\$17,062.50** has been received. REINS has not provided you with any goods or services in exchange for this contribution.*

*Please retain this letter for your tax records.*

*REINS tax I.D. # 33-0035455*

**P.O. Box 1283, Bonsall, California 92003 • Phone (760) 731-9168 • Fax (760) 731-3949**

Therapeutic Horsemanship Program • Non-Profit Corporation 501 (c)(3) 33-0035455

[www.reinsprogram.org](http://www.reinsprogram.org)



## **DISCUSSION/ACTION ITEMS**

**DISCUSSION/ACTION ITEMS**

FY 2017-2018 Independent Auditor's Report

Fechter & Company Certified Public Accountants

**FALLBROOK REGIONAL  
HEALTH DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2018**

**FALLBROOK REGIONAL HEALTH DISTRICT**

Financial Statements  
For the Year Ended June 30, 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of the Fallbrook Regional Health District  
Fallbrook, California

### Report on Financial Statements

We have audited the accompanying financial statements of the Fallbrook Regional Health District (the District), which comprise the statement of net position as of June 30, 2018, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors  
of the Fallbrook Regional Health District  
Fallbrook, California

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Fechter & Company  
Certified Public Accountants



Sacramento, California  
September 17, 2018

## FALLBROOK REGIONAL HEALTH DISTRICT

### Management's Discussion and Analysis For the Year Ended June 30, 2018

The Fallbrook Regional Health District (District) has issued its financial statements for the fiscal year ended June 30, 2018 in conformity with the format prescribed by the provisions of Government Accounting Standards Board Statement No. 34 (GASB 34). This report, Management's Discussion and Analysis, is an overview of the financial activities for the fiscal year and is an integral part of the accompanying Basic Financial Statements.

#### ACCOUNTING METHOD

The District's operations are accounted for as an Enterprise Fund. Enterprise Funds are used by government agencies to account for operations which are financed and managed in a similar manner to private business enterprises, where the costs and expenses (including depreciation) of providing services to the public on a continuing basis are recovered primarily through user charges. The District receives property tax revenues. The District's revenues and expenses are recognized on a full accrual basis; revenues are recognized in the period incurred. All assets and liabilities associated with the activity of the enterprise are included on the Statement of Net Position.

#### THE BASIC FINANCIAL STATEMENTS

The District has only one fund, therefore the Basic Financial Statements do not reflect the activities of multiple funds. The Basic Financial Statements include the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position (Income Statement), and Statement of Cash Flows. Together with this report, the Basic Financial Statements provide information about the significant events, assumptions, and decisions resulting in the financial performance reflected in those statements.

The Statement of Net Position provides information regarding the financial position of the District, including its capital assets and debts.

The Statement of Revenues, Expenses, and Changes in Net Position (Income Statement) provides information regarding the revenues received by the District, and the expenses incurred in carrying out the District's programs. The ultimate focus of the income statement is the balance of effective current use of funds and planning for the future, as reflected by the amount of net income generated for the fiscal year.

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

#### FINANCIAL ACTIVITIES & FISCAL YEAR 2018 HIGHLIGHTS

##### *Statement of Net Position*

The District is a government entity operating under the Local Health Care District Law. In 1950, the residents of the area voted to establish, build, and operate Fallbrook Hospital. In 1971, the hospital was enlarged to its present 47-bed capacity.

## FALLBROOK REGIONAL HEALTH DISTRICT

### Management's Discussion and Analysis For the Year Ended June 30, 2018

Since November 1998, the hospital has been leased under a 30-year agreement to Community Health Systems (CHS). The transaction was approved overwhelmingly by over 95% of District voters. A condensed version of the Statement of Net Position is presented in Table A below and the changes which occurred between Fiscal Year ended 2018 and 2017.

TABLE A

	2018	2017	Change
<b>Assets:</b>			
Cash and investments	\$ 9,179,933	\$ 6,789,887	\$ 2,390,046
All other assets	2,453,890	5,072,913	(2,619,023)
<b>Total Assets</b>	<u>11,633,823</u>	<u>11,862,800</u>	<u>(228,977)</u>
<b>Liabilities:</b>			
Current liabilities	71,940	94,177	(22,237)
Long-term liabilities	30,362	20,687	9,675
<b>Total Liabilities</b>	<u>102,302</u>	<u>114,864</u>	<u>(12,562)</u>
<b>Net Position:</b>			
Net investment in capital assets	2,118,390	292,910	1,825,480
Unrestricted	9,413,131	11,455,026	(2,041,895)
<b>Total Net Position</b>	<u>\$ 11,633,823</u>	<u>\$ 11,747,936</u>	<u>\$ (114,113)</u>

The \$114,113 decrease in Total Net Position reflects the change in net position for the year.

#### *Statement of Revenues, Expenses, and Changes in Net Position*

The District's business is comprised of three major segments:

- *Community Health Contract Program* – The District administers a Community Health Contract program, giving a portion of the District's annual property tax revenues to non-profit health-related programs serving residents of the Fallbrook, Bonsall, Rainbow, and De Luz areas of northern San Diego County.
- *Community Collaboratives* – Representatives of the District's healthcare organizations and interested community members meet to network their programs, and identify, develop, and initiate District sponsored health related community programs and address concerns. Additional education opportunity for guest presentations relative to health, health services and conditions; ranging in scope from Aids and Alzheimer's to Suicide, Drug Abuse, and Legislative issues impacting health and well-being.



**FALLBROOK REGIONAL HEALTH DISTRICT**

Management's Discussion and Analysis  
For the Year Ended June 30, 2018

Table B, below, is a condensed version of the Income Statement; it summarizes the District's revenue and expenses, and compares Fiscal Year 2018 results to Fiscal Year 2017.

TABLE B

	<u>2018</u>	<u>2017</u>	<u>Change</u>
<b>Revenues:</b>			
Property tax revenue	\$ 1,874,033	\$ 1,793,446	\$ 80,587
<b>Total Revenues</b>	<u>1,874,033</u>	<u>1,793,446</u>	<u>80,587</u>
<b>Expenses:</b>			
Community Health Contracts	865,710	708,686	(157,024)
Blue Zone projects	80,903	-	(80,903)
Direct care services	130,000	99,000	(31,000)
Administrative services	409,055	360,580	(48,475)
Salaries and benefits	341,440	273,976	(67,464)
Management and maintenance	164,477	279,284	114,807
Depreciation	8,120	564	(7,556)
<b>Total Expenses</b>	<u>1,999,705</u>	<u>1,722,090</u>	<u>(277,615)</u>
<b>Operating Income (loss)</b>	<u>(125,672)</u>	<u>71,356</u>	<u>(197,028)</u>
<b>Non-Operating Income (Expenses):</b>			
Other income	-	211,878	211,878
Other expenses	(90,743)	-	(90,743)
<b>Total Non-Operating Income</b>	<u>(90,743)</u>	<u>211,878</u>	<u>(302,621)</u>
<b>Change in Net Position</b>	<u>\$ (216,415)</u>	<u>\$ 283,234</u>	<u>\$ (499,649)</u>

Property taxes drive the District's operations and are its primary source of revenues. The increase of \$80,587 in property taxes reflects the continuing turnaround in the real estate market and the general state of the economy within the District's service area.

Total non-operating income decreased by \$302,621 due to the decrease in revenues relating to the building sale, as well as the interest earnings available from investments set aside by the District. The subsidy for Direct Care Services was increased in this fiscal year, with an increase of \$31,000 over the previous year.

The Community Health Contract allocation increased by \$157,024 because the amounts requested and provided through the Community Health Contract process varies from year-to-year.

Salaries and benefits increased by \$67,464 due to a change of title to CEO from Executive Director, and the addition of a Community Health Coordinator, as the District's role and responsibilities in the community have changed.

## FALLBROOK REGIONAL HEALTH DISTRICT

### Management's Discussion and Analysis For the Year Ended June 30, 2018

Administrative services reflect an overall increase of \$48,475. There was an increase to general counsel in the amount of \$14,765 due to the sale of the Elder Street property (hospital). Independent contract services increased by \$9,235, due to a change in accounting assistance, and by \$16,054 with the addition of a Project Administrator for the Wellness Center. Consulting fees increased by \$23,889, due to real estate broker services for the purchase of the Wellness Center, as well as an increase in community engagement services. The amount charged for California mandated reimbursement was zero. Participation by Board members for District-sponsored webinars and conferences increased by \$4,500. Information technology and web services increased by \$5,401, due to an increase in staff, as well as a needed upgrade. Office expense increased by \$4,760, largely due to ergonomic loss prevention upgrades to prevent work-related injury.

Direct Care Services, a Memorandum of Understanding (M.O.U.) to provide economic support for urgent care services in the amount of \$10,000 per month, increased by \$31,000 from last fiscal year.

#### CAPITAL ASSETS

At June 30, 2018, the District had \$310,763 in capital assets and \$19,162 accumulated depreciation resulting in \$291,601 net capital assets.

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

TABLE C

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Capital assets, depreciable:</b>				
Buildings and improvements	\$ 291,240	\$ 1,801,419	\$ -	\$ 2,092,659
Furniture and fixtures	2,375	-	-	2,375
Equipment	19,020	32,181	-	51,201
<b>Subtotal</b>	<u>312,635</u>	<u>1,833,600</u>	<u>-</u>	<u>2,146,235</u>
<b>Accumulated depreciation</b>	<u>(19,725)</u>	<u>(8,120)</u>	<u>-</u>	<u>(27,845)</u>
<b>Capital Assets, Net</b>	<u>\$ 292,910</u>	<u>\$ 1,825,480</u>	<u>\$ -</u>	<u>\$ 2,118,390</u>

#### DEBT ADMINISTRATION

The District has no debt.

#### ECONOMIC OUTLOOK

The Fiscal Year 2017/2018 budget reflects an 8-9% increase in revenues, as property values/taxes are anticipated to change. Interest income is projected to increase, as funds have been received through

## FALLBROOK REGIONAL HEALTH DISTRICT

### Management's Discussion and Analysis For the Year Ended June 30, 2018

the sale of the hospital building. Overhead is expected to increase in the coming fiscal year, due to the acquisition of the East Mission Road Wellness Center property. The Community Investment Fund was forecast at \$958,000 to complete renovations needed to re-design, refurbish, and renovate the Wellness Center.

#### MAJOR INITIATIVES

##### *COMMUNITY HEALTH PROGRAMS 2017-2018*

The Community Health Contracts undertaken each year by the District are open for nonprofit 501(c)(3) agencies. Those who are awarded Contracts must meet strict criteria and provide both comprehensive financial and service reports periodically, as well as demonstrate measurable outcomes.

The District's focus: Prevention, Education, Treatment, and Ancillary Services

- Amount requested: \$852,512.35
- Amount funded: \$858,712.35
- Twenty-one Community Health Contracts awarded:
  - 5 Youth programs
  - 6 Seniors
  - 10 All ages

##### *YOUTH*

- Funding for two (2) health and wellness after-school programs provided throughout the elementary and middle school districts.
- Funding for children and youth who do not qualify for Medi-Cal or other public services who suffer from severe mental health disorders.
- Funding to continue a preschool ophthalmic screening and eye care program; inclusive of glasses and/or need treatment and follow-up care for children ages 2 to 6 years.
- Funding to engage youth in proactive prevention of access to and use of alcohol and drugs; and to bring awareness to youth, parents, educators and law enforcement.
- Funding to provide a K-12 Safety Program to educate and inspire students to make life-saving choices regarding drugs and alcohol; car, bicycle, water safety and violence.

##### *SENIORS*

- Funding to evaluate and assist senior citizens with healthcare and home safety management through in home evaluations, safety checks and resource availability as well as assessments to help guide seniors to keep them living at home, independently.
- Funding to provide a program for senior and disabled residents and their caregivers that provides a secure and safe environment for activities and respite.
- Funding to provide senior and disabled citizens free transportation to medical and dental

## FALLBROOK REGIONAL HEALTH DISTRICT

### Management's Discussion and Analysis For the Year Ended June 30, 2018

appointments, physical therapy, grocery stores and pharmacies, which assists also in maintaining budgets to ensure that medical care and food are accessible priorities.

- Funding to provide nutrition to needy seniors who have mobility and activities of daily living challenges through a home delivered meal program. Program through which needs can be assessed and referral to support programs can be made as identified.
- Funding to provide a safe area to exercise with permanently installed equipment to help seniors be proactive in the prevention or reversal of diseases such as type 2 diabetes, heart disease, stroke and cancer.

#### *ALL AGES*

- Funding to support the vision of nutritionally balanced supplemental food to those whose income is below the Federal guideline for poverty level.
- Funding to recruit, train, monitor and schedule the volunteer base that provides assistance with over 200 weekly therapy sessions for children and adults; also to fund Speech Therapy to increase receptive and expressive communication capabilities.
- Funding to facilitate a nutrition/diabetes/health education program at the community clinic and to continue health education and diabetes screening services in district schools as well as for seniors.
- Funding to continue and to expand dental care program for restorative and preventive services; and to screen children in local schools for existing or potential decay.
- Funding to continue development and implementation of community outreach to establish appropriate housing and support programs to provide a quality, safe living environment for special needs citizens.
- Funding to support courier program of transportation of District residents to healthcare provider appointments. Only program that will take persons to appointments out of the immediate Fallbrook community.
- Funding to facilitate Homecare Services for low and moderate income seniors and handicapped individuals to assist them to continue to live within their own homes.
- Funding of program to provide emotional and practical support to victims experiencing a trauma and to first responders.
- Funding to provide behavioral health services for individuals requiring assistance with behavioral/mental health conditions that may require medication and/or counseling treatment. Provides a wide range of primary care, dental care and prevention services to the underserved population of the Fallbrook Regional Health District.
- Funding to provide healthy cooking, nutrition education classes, and gardening during summer months and throughout the school year targeting after school youth from La Paloma Elementary School with Family Nights & Healthy Living Classes including parents of the youth.

## **FALLBROOK REGIONAL HEALTH DISTRICT**

### **Management's Discussion and Analysis For the Year Ended June 30, 2018**

During the fiscal year 2017-2018, the District received a total of \$852,512 in Community Health Contract requests. The Board of Directors increased that amount and approved distribution of \$858,712 to qualified applicants. This brings the total amount granted by the District since June 1999 to \$8,821,275.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

Fallbrook Regional Health District  
138 South Brandon Road  
Fallbrook, CA 92028  
(760) 731-9187 Office  
(760) 731-9131 Fax  
Email: [fallbrookhealthcare@earthlink.net](mailto:fallbrookhealthcare@earthlink.net)  
Website: [www.fallbrookhealthcaredistrict.org](http://www.fallbrookhealthcaredistrict.org)

**FINANCIAL STATEMENTS**

**FALLBROOK REGIONAL HEALTHCARE DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

**ASSETS**

Current Assets:	
Cash and cash equivalents	\$ 2,459,437
Investments	6,720,496
Taxes receivable	17,167
Interest receivable	6,954
Prepaid expenses	<u>20,139</u>
Total current assets	<u>9,224,193</u>
Non-current assets:	
Assets held for resale (Note 10)	291,240
Capital assets, net of accumulated depreciation	<u>2,118,390</u>
Total non-current assets	<u>2,409,630</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 11,633,823</u></u></b>

**LIABILITIES AND NET POSITION**

Current liabilities:	
Accrued liabilities	<u>\$ 71,940</u>
Total current liabilities	<u>71,940</u>
Compensated absences	<u>30,362</u>
Total liabilities	102,302
Net Position	
Invested in capital assets, net	2,118,390
Unrestricted	<u>9,413,131</u>
Total net position	<u>11,531,521</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u><u>\$ 11,633,823</u></u></b>

The accompanying notes are an integral part of these financial statements.

**FALLBROOK REGIONAL HEALTHCARE DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>Operating revenues:</b>	
Property taxes	\$ 1,874,033
	<u>1,874,033</u>
Total operating revenues	<u>1,874,033</u>
<b>Operating expenses:</b>	
Community healthcare programs	865,710
Blue Zone projects	80,903
Direct care services	130,000
Administrative services	409,055
Salaries and benefits	341,440
Management and maintenance	164,477
Depreciation	8,120
	<u>1,999,705</u>
Total operating expenses	<u>1,999,705</u>
Operating income (loss)	<u>(125,672)</u>
Non-operating revenues and (expenses):	
Interest and investment income	27,600
Lease income	57,600
Loss on disposal of assets	(175,943)
	<u>(90,743)</u>
Total non-operating revenues and (expenses)	<u>(90,743)</u>
Change in net position	(216,415)
Beginning net position	<u>11,747,936</u>
Ending net position	<u><u>\$ 11,531,521</u></u>

The accompanying notes are an integral part of these financial statements.



**FALLBROOK REGIONAL HEALTHCARE DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>Cash flows from operating activities:</b>	
Cash received from County of San Diego for property taxes	\$ 1,870,916
Cash payments to vendors for goods and services	(780,035)
Cash payments to employees for services	(331,765)
Cash payments to grantees for programs	<u>(865,710)</u>
Net cash provided by (used in) operating activities	<u>(106,594)</u>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from lease of property	57,600
Investment account transfer	<u>(2,461,906)</u>
Net cash provided by (used in) capital and related financing activities	<u>(2,404,306)</u>
<b>Cash flows from investing activities:</b>	
Fixed asset additions	(1,833,600)
Proceeds from sale of fixed assets	4,251,882
Interest revenue	<u>9,413</u>
Net cash provided by (used in) investing activities	<u>2,427,695</u>
Net increase (decrease) in cash and cash equivalents	(83,205)
Cash and cash equivalents, beginning of year	<u>2,542,642</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,459,437</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used) by operating activities:</b>	
Operating income (loss)	\$ (125,672)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	8,120
Changes in operating assets and liabilities:	
Tax receivable	(3,117)
Prepaid items and deposits	26,637
Accrued liabilities	(22,237)
Compensated absence	<u>9,675</u>
<b>Net cash provided (used) by operating activities</b>	<u><u>\$ (106,594)</u></u>

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

## FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2018

### Note 1: **Summary of Significant Accounting Policies**

The financial statements of the Fallbrook Regional Health District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as it applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### A. **Reporting Entity**

The District, formerly known as the Fallbrook Hospital District, is organized under the provisions of the Health and Safety Code of the State of California to provide and operate health care facilities in Fallbrook, California, an unincorporated area within the County of San Diego, California (County).

#### B. **Basis of Accounting and Measurement Focus**

The financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, where applicable.

*Deferred Outflows of Resources* represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

*Deferred Inflows of Resources* represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

These financial statements are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents the change in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Operating revenues are those revenues that are generated from property tax only. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

## FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 1: **Summary of Significant Accounting Policies** - continued

### C. Investments

#### Investment Valuation

Highly liquid investments with maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

#### State Investment Pool

The District participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. These Structured Notes and Asset-Backed Securities are subject to market risk as a result of changes in interest rates. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments.

#### CalTrust Investment

The District also participates in CalTrust, which is a pool of diversified marketable bonds; including federal, federal agency, corporate, and California municipal bonds. The bonds are pooled in a Medium-Term account and the pool is managed by Nottingham Investment Administration. CalTrust investments are subject to market risk as a result of changes in interest rates.

### D. Property Taxes

Property taxes are levied on March 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of San Diego, California (County) bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

The County is permitted by State law to levy on properties at 1% of full market value (at time of purchase) and can increase the property tax rate at no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978.

Property taxes are recognized in the fiscal year for which the taxes have been levied. No allowance for doubtful accounts was considered necessary.

## FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 1: **Summary of Significant Accounting Policies** - continued

### E. Assets Held for Resale

The District's assets held for resale are stated at the lower of fair market value or cost. These assets consist of a hospital building and a wellness center building and were acquired as part of the lease termination settlement with Fallbrook Hospital Corporation (Note 10). At June 30, 2018, the balance of assets held for resale was \$291,240.

### F. Capital Assets

The District's capital assets are stated at cost. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method, generally 3-10 years. The capitalization threshold is \$500.

### G. Compensated Absences

It is the District's policy to permit contract employees to accumulate earned but unused vacation leave time. Non-contract employees may accumulate earned but unused vacation leave time up to a maximum of thirty (30) days. All employees may accrue unused sick leave time up to a maximum of thirty (30) days. Upon termination, all employees are entitled to a lump sum payment of 25% of accrued sick leave, not to exceed fifteen (15) days. At June 30, 2018, compensated absences balance was \$30,362.

### H. Net Position

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

*Net Investment in Capital Assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted* component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

At June 30, 2018, the District had no restricted component of net position.

## FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 1: **Summary of Significant Accounting Policies** - continued

H. **Net Position** - continued

Use of Restricted and Unrestricted Net Position

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

I. **Use of Estimates**

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

Note 2: **Lease Agreement with Fallbrook Hospital Corporation**

Effective November 1, 1998, the District entered into a Lease Agreement (Agreement) with Fallbrook Hospital Corporation (Corporation), a healthcare system located in the County to operate the Fallbrook Hospital for the benefit of District residents. While the hospital license remains in the name of the District, the Corporation has the responsibility of maintaining the license, maintaining the hospital in good condition, maintaining appropriate accreditations and adequate insurance, and providing quarterly status reports to the District. In connection with the Agreement, the District entered into a 30-year Transfer and Lease Agreement with the Corporation, whereby the District's assets and liabilities, except land, investment funds, debt established pursuant to certain loan agreements, and the deferred compensation program, were transferred to the Corporation. In November 1998, the District exercised its option to have the Corporation prepay the receivable to the District. Rental income to the District from the Corporation for the remaining term of the Agreement is \$1 per year.

At the end of the Agreement's 30-year term, the Corporation will transfer back to the District all assets and liabilities pursuant to terms substantially identical to those of the Transfer and Lease Agreement.

On March 31, 2015, the District and the Corporation entered into a Lease Termination Settlement Agreement to early terminate the Agreement. See Note 10 for further details.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 3: **Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents at June 30, 2018:

	<u>Amount</u>
<b>Cash and Cash Equivalents:</b>	
Bank deposits	\$ 1,023,789
LAIF	1,465,605
<b>Total Cash and Cash Equivalents</b>	<u>\$ 2,489,394</u>

**A. Cash Deposits**

The carrying amount of the District’s cash deposits was \$1,023,789 as of June 30, 2018. Bank balances before reconciling items were \$1,027,134 at that date, which were fully insured or collateralized with securities held by the pledging financial institutions in the District’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District’s cash by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash is considered to be held in the District’s name. The market value of pledged securities must equal at least 110% of the District’s cash. California law also allows financial institutions to secure the District’s cash by pledging first trust deed mortgage notes having a value of 150% of the District’s total cash.

**B. Local Agency Investment Funds**

The District’s deposit with LAIF at June 30, 2018, includes a portion of the pool funds invested in structured notes and asset-backed securities and similar transactions. These investments may include the following:

*Structured Notes* – Debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend on one or more indices and/or that have imbedded forwards or options.

*Asset-Backed Securities* – Generally, mortgage-backed securities entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations) or credit card receivables.

As of June 30, 2018, the District had \$1,465,605 invested in LAIF, which had invested 0% of the pool investment funds in Structured Notes and Asset-Backed Securities. The reported value of the pool is the same as the fair value of the pool shares.

**FALLBROOK REGIONAL HEALTH DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 4: **Investments**

The District is generally authorized under state statutes to invest in:

- Obligations of the U.S. Government, its agencies, and instrumentalities
- Certificates of deposit and other evidences of deposit at commercial banks and savings and loan institutions
- Prime bankers acceptances
- Prime commercial paper
- Negotiable certificates of deposit
- Repurchase agreements
- Money market funds
- State of California Local Agency Investment Fund
- Medium-term notes

The following is summary of investments at June 30, 2018:

	Credit Rating	Amount
<b>Investments:</b>		
CalTrust	Not Rated	\$ 6,720,496
<b>Total Investments</b>		<b>\$ 6,720,496</b>

Investments held by the District, grouped by maturity date at June 30, 2018, were as follows:

	Amount
<b>Investments:</b>	
CalTrust	\$ 6,720,496
<b>Total Investments</b>	<b>\$ 6,720,496</b>



**FALLBROOK REGIONAL HEALTH DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 5: **Capital Assets**

Capital assets activities for the year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Capital assets, depreciable:</b>				
Buildings and improvements	\$ 291,240	\$ 1,801,419	\$ -	\$ 2,092,659
Furniture and fixtures	2,375	-	-	2,375
Equipment	19,020	32,181	-	51,201
<b>Subtotal</b>	<u>312,635</u>	<u>1,833,600</u>	<u>-</u>	<u>2,146,235</u>
<b>Accumulated depreciation</b>	<u>(19,725)</u>	<u>(8,120)</u>	<u>-</u>	<u>(27,845)</u>
<b>Capital Assets, Net</b>	<u>\$ 292,910</u>	<u>\$ 1,825,480</u>	<u>\$ -</u>	<u>\$ 2,118,390</u>

Note 6: **Commitment and Contingencies**

Earthquake Retrofit

Senate Bill 1953 imposes certain requirements that acute care hospitals would be required to meet within a specified time. These requirements include conducting seismic evaluations. Hospitals determined to pose certain risks shall only be used for non-acute care purposes after January 1, 2008. After January 1, 2030, all hospitals must be in compliance. The District is not liable for compliance with Senate Bill 1953 in accordance with the Agreement with the Fallbrook Hospital Corporation.

Note 7: **Insurance**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries insurance through Special District Risk Management Authority (SDRMA). SDRMA is a risk pooling joint powers authority formed under the California Government Code to provide insurance coverage for SDRMA's member districts. SDRMA purchases excess insurance from commercial carriers to reduce its exposure to large losses.

There were no instances in the past three years where a settlement exceeded the District's coverage provided through SDRMA.

## FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 8: **Transfers To/From Fallbrook Hospital Corporation**

All property tax revenues, as they are incrementally collected and paid to the District, will remain with the District and will not be shared, except as allocated by separate resolution. During the fiscal year ended June 30, 2018, no transfers were made to the Corporation.

Cost report settlements for all years prior to the Agreement have been settled.

Note 9: **Defined Contribution Pension Plan**

The District has a Section 408(p) defined contribution pension plan as allowed under the Internal Revenue Code. The plan type sponsored by the District is the Savings Incentive Match Plan for Employees of Small Employers (SIMPLE), which was effective on January 6, 2006. The Plan is a defined contribution retirement plan in which the employer's contribution is nondiscretionary and is based on a formula that is not related to profit. The Plan sponsor guarantees no benefit and bears no investment risk while the Plan participants bear all investment risk and have no guaranteed level of benefits.

Eligible non-contract employees may begin participating in the Pension Plan following a one-year probationary employment period. The Administrator may begin participating the first day of the month following the employment date of work. The Plan is entirely funded by District contributions of up to 3% of the participants' gross pay for employees hired on or after March 1, 2006 who contribute up to 3% of their salary to the deferred compensation plan. Participants are fully vested upon joining the plan. Plan provisions and contribution requirements are established and may be amended by the District. Participants are eligible to begin receiving benefits at age 55.

The District's payroll for employees covered by the Plan for the year ended June 30, 2018, was \$0. Total employer contributions paid by the District amounted to \$0.

Funds paid into the Plan by the District are placed in a SIMPLE IRA account at a financial institution determined by the Plan participants. The financial information of the defined contribution pension plan is not in the accompanying financial statements.

Note 10: **Lease Termination Settlement**

The District leased the Fallbrook Hospital to the Fallbrook Hospital Corporation (the Corporation) pursuant to a 30-year lease (the Lease) in November 1998, which was set to terminate on its own terms in November 2028. Upon the expected termination of the Lease in 2028, the District was to absorb significant financial responsibilities, including, but not limited to, the repurchase of termination assets, reimbursement of prepaid rent (if any), and the need for working capital to keep the Fallbrook Hospital operating.

In order to ensure that the District had sufficient resources to accommodate the upcoming financial obligations, on December 14, 2011, the District's Board voted unanimously in

## FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 10: **Lease Termination Settlement** - continued

favor of creating a lease termination contingency reserve which was expressly dedicated to address those expenses required of the District at the time that the lease with Fallbrook Hospital Corporation was set to end.

However, in December 2013, the District was presented with a Government Code claim (per section 910 of the California Government Code) from the Corporation. The claim was for the District's "refusal" to reimburse the Corporation for its operating losses for several hospital core services. In February 2014, the District issued a Notice of Rejection of the First Code Claim to the Corporation and declined to reimburse the core services losses.

Per the Lease, after notifying the District and providing reasonable supporting documentation substantiating the core service losses, the Corporation is allowed to commence the process of closing the core services that are operating at a loss. The District received notice from the Corporation on May 21, 2014, that the Corporation was initiating the process for closing of many of the core services. On September 11, 2014, the District and the Corporation signed the Agreement Regarding Continuation of Services in which the Corporation agreed to continue to provide certain core services through November 17, 2014. The District agreed to pay the Corporation \$711,000 for these services which was actually paid out during the 2014/2015 fiscal year.

Finally, on January 29, 2015, the District and the Corporation signed the Settlement Agreement/Termination Agreement and Mutual Release (Settlement Agreement) in order to terminate the Lease Agreement and Operating Agreement effective March 31, 2015. The District agreed to pay the Corporation \$5 million by February 11, 2015. The Settlement Agreement released the District from the Corporation's previous breach of contract and operating loss coverage claims. It also released the District from any obligations under any repurchase agreements related to "Termination Assets" in the original Lease Agreement in 1998.

The District regained use rights for the Fallbrook Hospital Building, the Wellness Center Building, and the Urgent Care Building. At June 30, 2018, the Urgent Care building was being leased to a third-party operator. The District is holding the other properties for sale or for lease. The District recorded the \$5 million settlement fee to these repurchased "Termination Assets" as follows:

**FALLBROOK REGIONAL HEALTH DISTRICT**

Notes to the Financial Statements  
For the Year Ended June 30, 2018

Note 10: **Lease Termination Settlement** - continued

Description		Sq. Feet	Allocation %	Termination Fee Allocation*
<b>Assets Held for Resale:</b>				
624 E. Elder	Fallbrook Hospital	75,840	88.35%	\$ 4,417,520
138 Brandon	Wellness Center	<u>5,000</u>	<u>5.83%</u>	<u>291,240</u>
		80,840	94.18%	4,708,760
<b>Building and Improvements:</b>				
617 Alvarado	Urgent Care Building	<u>5,000</u>	<u>5.82%</u>	<u>291,240</u>
		<u>85,840</u>	<u>100.00%</u>	<u>\$ 5,000,000</u>

\* Schedule pertains to allocation of settlement payment under Termination and Settlement Agreement and is neither reflective of nor intended to represent the fair market value of the entire real property and improvements thereon.

On September 29, 2017, the District was able to sell the former hospital building located at 624 East Elder Street, Fallbrook, CA 92028 for the amount of \$4,265,053 to Fallbrook Partners, LLC located at 520 Capitol Mall, Suite 800, Sacramento, CA.

Note 11: **Subsequent Events**

Subsequent events have been evaluated through September 17, 2018.

**FALLBROOK REGIONAL  
HEALTH DISTRICT  
MANAGEMENT REPORT  
FOR THE YEAR ENDED JUNE 30, 2018**

**FALLBROOK REGIONAL HEALTH DISTRICT**

Management Report  
For the Year Ended June 30, 2018

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Board of Directors of the  
Fallbrook Regional Health District  
Fallbrook, California

In planning and performing our audit of the financial statements of the Fallbrook Regional Health District for the year ended June 30, 2018, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. We thank the District's staff for its cooperation on this audit.

Fechter & Company, Certified Public Accountants



September 17, 2018  
Sacramento, CA

**FALLBROOK REGIONAL HEALTH DISTRICT**  
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**For the Year Ended June 30, 2018**

**The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated June 20, 2018, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

**Significant Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

**Internal Control Related Matters**

In any smaller entity, whether private enterprise or a governmental agency, the lack of segregation of duties can present potential issues in regards to the perpetuation and concealment of fraud. Even with a perfect segregation of duties frauds can be perpetuated and concealed. The District can perform some specific control procedures to help reduce the risk of fraud, however. Some of the controls would include:

- Having someone independent of the bank reconciliation function review the bank statements on a monthly basis. At this District it would mean someone independent of the accounting function reviewing the county reports and multitude of bank accounts and bank reconciliations.
- Examining a budget to actual report on a frequent basis.
- Comparing the financial statements on a detailed level to the prior year on a frequent basis.
- Requiring someone independent of the payroll process review payroll on a bi-weekly basis, checking for accuracy of pay rates, paid time off recorded, etc.



**FALLBROOK REGIONAL HEALTH DISTRICT**  
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- Verifying that a second person is approving all disbursement activity and that an individual independent of the accounting function is signing checks and asking questions about invoices presented for payment.
- Frequently displaying “professional skepticism” when considering staff responses on District finances.

California Government Code Section 12422.5 requires the State Controller’s office to develop internal control guidelines applicable to each local agency by January 1, 2015. The intent of the legislation is to assist local agencies in establishing a system of internal control to safeguard assets and prevent and detect financial errors and fraud. To this end, the State Controller’s Office has produced a draft of control guidelines for local Agencies. As the District contemplates changes to its system of internal control, we advise in utilizing these guidelines when developing internal procedures to assist with your internal control processes.

The State Controller’s office has defined internal controls into five components that work together in an integrated framework. Their guidelines were adopted from the definitions and descriptions contained in *Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The components are:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The objective of *control environment* is the set of standards, processes, and structures that provided the basis for carrying out internal control across the entity. The governing board and management establish the “tone at the top” regarding the importance of internal control, including expected standards of conduct which then cascade down through the various levels of the organization and have a strong effect on the overall system of internal control.

A District’s *Risk Assessment* process includes how management identifies risks (including fraud risk) relevant to the preparation and fair presentation of the financial statements in accordance with the District’s applicable financial reporting framework. In addition, this would also involve areas of business and operational risk which could potentially affect the District’s finances on a go-forward basis.

The District’s risk assessment process is an extremely important activity the board and management should undertake. Every organization, public or private, faces business risks on a day to day basis. Identifying those risks and then acting on them in a timely manner may prevent future problems from becoming completely unmanageable.

Management should consistently attempt to identify risks that exist and then present those risks to the board for action. It is impossible for us to identify every potential risk that exists but either way, management and the board should proactively attempt to identify risks that could adversely affect the District’s operations.

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*Control Activities* are in reference to establishing policies and procedures that achieve management directives and respond to identified risks in the internal control system. These are specific procedures designed to perform a secondary review of internal processes that will allow for segregation of duties and a management level review of processed transactions.

*Information and Communication* are the District's methods of identifying what information is relevant to present to management and the board to assist the District in making the correct decisions. It also is in reference to the District's internal processes of gathering and summarizing that information.

*Monitoring* involves evaluating the effectiveness of controls on an on-going basis and taking remedial actions when necessary when identified by the other control procedures in place. On-going monitoring activities often are built into the normal recurring activities of a local government and include regular management and supervisory activities.

There is no catch-all for finding all instances of fraud within any entity, whether public or private. One of the key factors in helping prevent fraud is to encourage ethical behavior at all levels of the organization, i.e., "tone at the top". Another key would be to note instances of abnormal behavior of finance or accounting staff when questioned about District financial matters.

The District should remember that they have outside resources available in the case of fraud – they are able to contact District auditor, their attorney, or county auditor-controller should anyone feel there is a chance of fraud or abuse.

### **Accounting Estimates**

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 estimate(s) affecting the financial statements were:

- Accrual and disclosure of compensated absences
- Capital asset lives and depreciation expense

### **Audit Adjustments**

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial

**FALLBROOK REGIONAL HEALTH DISTRICT**  
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**For the Year Ended June 30, 2018**

statements to be materially misstated). The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the District's financial reporting process:

- Posting of all GASB 34 entries on behalf of the district

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter 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.

**Consultations with Other Independent Auditors**

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 governmental unit'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.

**Issues Discussed Prior to Retention of Independent Auditors**

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

**Difficulties Encountered in Performing the Audit**

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