

Fallbrook Regional HEALTH DISTRICT

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

BOARD OF DIRECTORS REGULAR BOARD MEETING

WEDNESDAY
NOVEMBER 8, 2017

6:00 PM

AT

**FPUD
FALLBROOK PUBLIC UTILITY DISTRICT
990 EAST MISSION ROAD
FALLBROOK, CA 92028**

AGENDA
FALLBROOK REGIONAL HEALTH DISTRICT
REGULAR BOARD MEETING
Wednesday, November 8, 2017, 6:00 p.m.
Fallbrook Public Utilities District, 990 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 September 2017 Financial Statements
- D2. Minutes of October 4, 2017 Finance Committee Meeting
- D3. Minutes of October 11, 2017 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. Executive Director – Bobbi Palmer
- E5. General Counsel – Blaise Jackson

F. DISCUSSION/ACTION ITEMS

- F1. FY 2016-2017 Independent Auditor’s Report – Fechter & Company Certified Public Accountants
- F2. LAFCO Recommended Boundary Change

G. ITEMS FOR SUBSEQUENT MEETINGS

- G1. Other Director/Staff discussion items
 - G1a. Item(s) for future board agendas
 - G1b. Announcements of upcoming events:
 - Finance Committee meeting – 1st Wednesday, November 1, 5:00pm, Fallbrook Regional Health District Board Room, 138 S. Brandon Rd.
- G2. Next Regular Board meeting – Wednesday, December 13, 2017, Fallbrook Public Utility District Board Room

H. CLOSED SESSION

- H1. Personnel Matters Pursuant To Government Code Section 54957 - Evaluation of Executive Director

I. RETURN TO OPEN SESSION

J. ADJOURNMENT

NOTE: This agenda posted at the Fallbrook Regional Health District Administration Office on Friday, November 3, 2017. 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

**AGENDA
FALLBROOK REGIONAL HEALTH DISTRICT
FINANCE COMMITTEE
Wednesday, November 1, 2017 at 5:00 P.M.
Board Conference Room, 138 S. Brandon Rd., Fallbrook CA 92028**

Committee Members: Finance Committee of the Whole, Barbara Mroz, Chair and Bill Leach, Co-chair

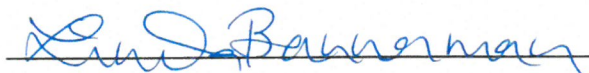
Staff Members: Executive Director Bobbi Palmer and Administrative Assistant Linda Bannerman

Accountant: Kathy Bogle

Bookkeeper: Wendy Lyon

1. Call to Order/Roll Call
2. Public Comments
3. Review of Financial Statements for September 2017
 - 1) Balance Sheet Comparison of September – August
 - 2) Income Statement for September 2017 and fiscal year to date
 - 3) Profit & Loss Actual vs Budget –September
 - 4) Profit & Loss Budget Overview July 2016 – June 2017
 - 5) LAIF Report
 - 6) CalTrust
 - 7) Property Tax Revenue – fiscal year to date
 - 8) Check Detail as of September 2017
 - 9) Review of Annual Audit Draft
 - 10) Review of RFP for Urgent Care Services
4. Adjournment

I certify that on October 27, 2017, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Fallbrook Regional Health District, said time being at least 72 hours in advance of the meeting of the Finance Committee.



Board Secretary/Clerk

FALLBROOK REGIONAL HEALTH DISTRICT
BALANCE SHEET COMPARISON
Comparison of September 2017 to August 2017

	Sep 30, 17	Aug 31, 17	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
102.9 · Cal Trust Investment Account	4,262,843.43	4,266,332.53	(3,489.10)
102.2 · Cash in Bank - Operating	4,871,594.41	662,591.58	4,209,002.83
102.6 · Cash in Bank -LAIF	1,451,823.14	1,451,823.14	0.00
Total Checking/Savings	10,586,260.98	6,380,747.25	4,205,513.73
Other Current Assets			
104 · Prepaid Insurance	35,314.75	38,979.74	(3,664.99)
107 · Tax apportion receivable	22,989.72	14,327.35	8,662.37
Total Other Current Assets	58,304.47	53,307.09	4,997.38
Total Current Assets	10,644,565.45	6,434,054.34	4,210,511.11
Fixed Assets			
120.01 · ALVARADO BLDG	291,240.00	291,240.00	0.00
121 · Equipment	21,394.96	21,394.96	0.00
121.2 · Equipment Depreciation	(19,881.41)	(19,829.37)	(52.04)
122.0 · ASSETS HELD FOR RESALE			
122.01 · FALLBROOK HOSPITAL	0.00	4,427,820.00	(4,427,820.00)
122.02 · WELLNESS CENTER	291,240.00	291,240.00	0.00
Total 122.0 · ASSETS HELD FOR RESALE	291,240.00	4,719,060.00	(4,427,820.00)
Total Fixed Assets	583,993.55	5,011,865.59	(4,427,872.04)
TOTAL ASSETS	11,228,559.00	11,445,919.93	(217,360.93)
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
140 · Accounts Payable	22,290.31	22,266.26	24.05
Total Accounts Payable	22,290.31	22,266.26	24.05
Credit Cards			
150.1 · American Express 41007	878.42	673.24	205.18
Total Credit Cards	878.42	673.24	205.18
Other Current Liabilities			
204 · Accrued Vacation & Sick Leave	19,933.10	22,326.53	(2,393.43)
215 · Comm Healthcare Programs Pybl			
215.24 · District Sponsored Programs	25,765.89	25,765.89	0.00
Total 215 · Comm Healthcare Programs ...	25,765.89	25,765.89	0.00
Total Other Current Liabilities	45,698.99	48,092.42	(2,393.43)
Total Current Liabilities	68,867.72	71,031.92	(2,164.20)
Total Liabilities	68,867.72	71,031.92	(2,164.20)

**FALLBROOK REGIONAL HEALTH DISTRICT
BALANCE SHEET COMPARISON
Comparison of September 2017 to August 2017**

	Sep 30, 17	Aug 31, 17	\$ Change
Equity			
300 - Unrestricted Operations Fund	1,908,440.61	11,746,296.43	(9,837,855.82)
302.2 - Community Investment Fund	9,837,855.82	0.00	9,837,855.82
Net Income	(586,605.15)	(371,408.42)	(215,196.73)
Total Equity	11,159,691.28	11,374,888.01	(215,196.73)
TOTAL LIABILITIES & EQUITY	<u>11,228,559.00</u>	<u>11,445,919.93</u>	<u>(217,360.93)</u>

FALLBROOK REGIONAL HEALTH DISTRICT
Income Statement
For the Month Ended September 31, 2017 & Fiscal Year to Date

	Sep 17	Jul - Sep 17
Ordinary Income/Expense		
Income		
400. · District		
402 · Property tax revenue	22,990	66,749
403 · Interest / Dividends	5,001	15,373
406 · Unearned Inc(Loss) - Cal Trust	(8,490)	(4,255)
Total 400. · District	19,501	77,867
450. · Properties		
460 · Lease Income		
460.01 · A+ Urgent Care	4,800	14,400
Total 460 · Lease Income	4,800	14,400
450.001 · Hospital Building Sale	4,500,000	4,500,000
450.02 · Costs of Hospital Property Sale	(234,948)	(234,948)
450.01 · Hospital Property Cost Basis	(4,427,825)	(4,427,825)
Total 450. · Properties	(157,972)	(148,372)
Total Income	(138,472)	(70,506)
Gross Profit	(138,472)	(70,506)
Expense		
500 · Administrative Expenses		
500.36 · Accrued Vacation & Sick Leave	(2,393)	(2,393)
500.10 · Salaries	17,870	53,610
500.12 · Payroll Taxes	1,482	4,499
500.14 · W/C Insurance	152	456
500.15 · Employee Health & Welfare	1,211	2,994
500.16 · Board Stipends	1,500	5,200
500.17 · Education & Conferences	1,455	4,414
500.18 · Dues & Subscriptions		8,217
500.19 · Insurance - General	3,746	11,238
500.20 · Independent Accounting Services	850	2,550
500.21 · Annual Independent Audit		7,982
500.23 · General Counsel	13,633	45,829
500.25 · Office Expense		
01 · Communications	283	994
02 · I.T. and Website services	653	1,568
03 · Refreshments	191	909
04 · Office Expenses	410	828
05 · Admin fees	6	989
06 · Independent Contract Services	3,150	9,430
Total 500.25 · Office Expense	4,693	14,718
500.27 · Depreciation	52	156
500.29 · Dist Promotions & Publications	2,890	18,229
500.32 · Consultant Fees	8,845	25,003
500.33 · Copier Lease	873	2,550
Total 500 · Administrative Expenses	56,858	205,250

FALLBROOK REGIONAL HEALTH DISTRICT
Income Statement
For the Month Ended September 31, 2017 & Fiscal Year to Date

	Sep 17	Jul - Sep 17
590 · Management & Maintenance		
590.02 · Gas & Electric	7,196	21,975
590.03 · Water	1,890	5,650
590.04 · Waste Management	93	348
590.05 · Security	1,100	3,300
590.06 · Landscape - Grounds Environment	1,600	4,800
590.07 · Custodial Services	450	900
590.08 · Elevator	182	537
590.10 · Maintenance Services & Repairs	250	1,473
590.11 · Medical Records Store & Service	2,107	7,032
590.12 · Fire Alarm System		330
Total 590 · Management & Maintenance	14,867	46,345
600 · Community Health Contracts		
600.02 · Fbk Citizens Crime Prevention		2,500
600.59 · Palomar Health Foundation	(5,000)	(5,000)
600.58 · Michelle's Place		6,000
600.54 · Healthy Adventures Foundation		2,250
600.53 · Jeremiah's Ranch		3,688
600.04 · Boys & Girls Club		20,000
600.07 · Fbk Senior Citizens Srvc Club		31,350
600.08 · Fallbrook Smiles Project		17,875
600.11 · Palomar Family Counseling Srvc		19,750
600.14 · Fbk Family Health Center		25,000
600.17 · Foundation for Senior Care		52,279
600.18 · Fallbrook Food Pantry		18,000
600.19 · Live Oak Park Coalition		10,000
600.33 · REINS Therapeutic Prgm		16,250
600.37 · Trauma Intervention Prgm of SD		2,250
600.46 · Mental Health Systems, Inc.		2,312
Total 600 · Community Health Contracts	(5,000)	224,504
800 · District Direct Care Services		
800.02 · A+ Urgent Care	10,000	40,000
Total 800 · District Direct Care Services	10,000	40,000
Total Expense	76,725	516,099
Net Ordinary Income	(215,197)	(586,605)
Net Income	(215,197)	(586,605)

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Actual vs Budget

September 2017

	Sep 17	Budget	\$ Over ...
Ordinary Income/Expense			
Income			
400. · District			
402 · Property tax revenue	22,990	9,576	13,413
403 · Interest / Dividends	5,001	5,000	1
406 · Unearned Inc(Loss) - Cal Trust	(8,490)	0	(8,490)
Total 400. · District	19,501	14,576	4,924
450. · Properties			
460 · Lease Income			
460.01 · A+ Urgent Care	4,800	4,800	0
Total 460 · Lease Income	4,800	4,800	0
450.001 · Hospital Building Sale	4,500,000		
450.02 · Costs of Hospital Property Sale	(234,948)		
450.01 · Hospital Property Cost Basis	(4,427,825)		
Total 450. · Properties	(157,972)	4,800	(162,772)
Total Income	(138,472)	19,376	(157,848)
Gross Profit	(138,472)	19,376	(157,848)
Expense			
500 · Administrative Expenses			
500.36 · Accrued Vacation & Sick Leave	(2,393)	0	(2,393)
500.10 · Salaries	17,870	19,928	(2,058)
500.12 · Payroll Taxes	1,482	1,381	101
500.14 · W/C Insurance	152	152	(0)
500.15 · Employee Health & Welfare	1,211	1,042	170
500.16 · Board Stipends	1,500	1,500	0
500.17 · Education & Conferences	1,455	1,458	(4)
500.19 · Insurance - General	3,746	2,083	1,663
500.20 · Independent Accounting Services	850	850	0
500.23 · General Counsel	13,633	7,500	6,133
500.25 · Office Expense			
01 · Communications	283	333	(50)
02 · I.T. and Website services	653	500	153
03 · Refreshments	191	542	(351)
04 · Office Expenses	410	1,083	(673)
05 · Admin fees	6	0	6
06 · Independent Contract Services	3,150	5,000	(1,850)
Total 500.25 · Office Expense	4,693	7,458	(2,765)
500.27 · Depreciation	52	100	(48)
500.29 · Dist Promotions & Publications	2,890	1,833	1,057
500.32 · Consultant Fees	8,845	11,063	(2,218)
500.33 · Copier Lease	873	833	39
500.45 · Community Garden	0	1,000	(1,000)
Total 500 · Administrative Expenses	56,858	58,182	(1,325)

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Actual vs Budget

September 2017

	Sep 17	Budget	\$ Over ...
590 · Management & Maintenance			
590.02 · Gas & Electric	7,196	625	6,571
590.03 · Water	1,890	500	1,390
590.04 · Waste Management	93	71	22
590.05 · Security	1,100	1,416	(316)
590.06 · Landscape - Grounds Environment	1,600	1,000	600
590.07 · Custodial Services	450	583	(133)
590.08 · Elevator	182	166	16
590.09 · Vehicle Expenses	0	25	(25)
590.10 · Maintenance Services & Repairs	250	300	(50)
590.11 · Medical Records Store & Service	2,107	3,417	(1,309)
590.12 · Fire Alarm System	0	183	(183)
Total 590 · Management & Maintenance	14,867	8,286	6,581
600 · Community Health Contracts			
600.59 · Palomar Health Foundation	(5,000)	0	(5,000)
Total 600 · Community Health Contracts	(5,000)	0	(5,000)
800 · District Direct Care Services			
800.02 · A+ Urgent Care	10,000	0	10,000
Total 800 · District Direct Care Services	10,000	0	10,000
Total Expense	76,725	66,468	10,257
Net Ordinary Income	(215,197)	(47,092)	(168,105)
Net Income	<u>(215,197)</u>	<u>(47,092)</u>	<u>(168,105)</u>

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Budget Overview 2017 - 2018
 July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL Jul '17 - Jun 18
Ordinary Income/Expense													
Income													
400. - District													
402 - Property tax revenue	15,065	29,617	9,576	25,343	50,132	600,620	297,496	63,789	458,124	214,331	14,470	21,437	1,800,000
403 - Interest / Dividends	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
Total 400. - District	20,065	34,617	14,576	30,343	55,132	605,620	302,496	68,789	463,124	219,331	19,470	26,437	1,860,000
450. - Properties													
460 - Lease Income													
460.01 - A+ Urgent Care	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
Total 460 - Lease Income	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
Total 450. - Properties	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600
Total Income	24,865	39,417	19,376	35,143	59,932	610,420	307,296	73,589	467,924	224,131	24,270	31,237	1,917,600
Gross Profit	24,865	39,417	19,376	35,143	59,932	610,420	307,296	73,589	467,924	224,131	24,270	31,237	1,917,600
Expense													
500 - Administrative Expenses													
500.36 - Accrued Vacation & Sick Leave	0	0	0	0	0	0	0	0	0	0	0	20,700	20,700
500.10 - Salaries	19,408	20,665	19,928	22,222	22,222	22,222	22,222	22,222	22,222	22,222	22,222	22,222	260,000
500.12 - Payroll Taxes	1,327	1,455	1,381	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	20,000
500.14 - W/C Insurance	152	152	152	152	152	152	152	152	152	152	152	152	1,825
500.15 - Employee Health & Welfare	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	12,500
500.16 - Board Stipends	1,300	1,700	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
500.17 - Education & Conferences	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	17,500
500.18 - Dues & Subscriptions	8,471	667	0	0	5,272	110	880	0	0	100	0	0	15,500
500.19 - Insurance - General	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
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	8,600	0	0	0	0	0	0	0	0	0	0	8,600
500.23 - General Counsel	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
500.25 - Office Expense													
01 - Communications	333	333	333	333	333	333	333	333	333	333	333	333	4,000
02 - I.T. and Website services	500	500	500	500	500	500	500	500	500	500	500	500	6,000
03 - Refreshments	542	542	542	542	542	542	542	542	542	542	542	542	6,500
04 - Office Expenses	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	13,000
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
Total 500.25 - Office Expense	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	7,458	89,500
500.27 - Depreciation	100	100	100	100	100	100	100	100	100	100	100	100	1,200
500.29 - Dist Promotions & Publications	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	22,000
500.32 - Consultant Fees	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	132,750
500.33 - Copier Lease	833	833	833	833	833	833	833	833	833	833	833	833	10,000
500.45 - Community Garden	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
Total 500 - Administrative Expenses	64,880	67,460	58,182	60,855	66,127	60,965	61,735	60,855	60,855	60,955	60,855	81,555	765,275
590 - Management & Maintenance													
590.02 - Gas & Electric	625	625	625	625	625	625	625	625	625	625	625	625	7,500
590.03 - Water	500	500	500	500	500	500	500	500	500	500	500	500	6,000
590.04 - Waste Management	71	0	71	0	71	0	71	0	72	0	70	0	425
590.05 - Security	1,424	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	17,000
590.06 - 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
590.07 - Custodial Services	587	583	583	583	583	583	583	583	583	583	583	583	7,000
590.08 - Elevator	174	166	166	166	166	166	166	166	166	166	166	166	2,000
590.09 - Vehicle Expenses	25	25	25	25	25	25	25	25	25	25	25	25	300
590.10 - Maintenance Services & Repairs	300	300	300	300	300	300	300	300	300	300	300	300	3,600
590.11 - Medical Records Store & Service	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	3,417	41,000
590.12 - Fire Alarm System	183	183	183	183	183	183	183	183	183	183	183	183	2,200
590.13 - Renovations / Improvements	0	0	0	12,500	12,500	12,500	12,500	0	0	0	0	0	50,000
Total 590 - Management & Maintenance	8,306	8,215	8,286	20,715	20,786	20,715	20,786	8,215	8,286	8,215	8,284	8,215	149,025

FALLBROOK REGIONAL HEALTH DISTRICT
Profit & Loss Budget Overview 2017 - 2018
 July 2017 through June 2018

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	TOTAL Jul '17 - Jun 18
600 - Community Health Contracts													
600.02 - Fbk Citizens Crime Prevention	2,500	0	0	0	2,500	0	0	2,500	0	0	2,500	0	10,000
600.58 - Michelle's Place	6,000	0	0	0	6,000	0	0	6,000	0	0	6,000	0	24,000
600.54 - Healthy Adventures Foundation	2,250	0	0	0	2,250	0	0	2,250	0	0	2,250	0	9,000
600.53 - Jeremiah's Ranch	3,688	0	0	0	3,688	0	0	3,688	0	0	3,688	0	14,750
600.04 - Boys & Girls Club	20,000	0	0	0	10,000	0	0	10,000	0	0	10,000	0	50,000
600.07 - Fbk Senior Citizens Srvc Club	31,350	0	0	0	18,750	0	0	18,750	0	0	18,750	0	87,600
600.08 - Fallbrook Smiles Project	17,875	0	0	0	17,875	0	0	17,875	0	0	17,875	0	71,500
600.11 - Palomar Family Counseling Srvc	19,750	0	0	0	19,750	0	0	19,750	0	0	19,750	0	79,000
600.14 - Fbk Family Health Center	25,000	0	0	0	25,000	0	0	25,000	0	0	25,000	0	100,000
600.17 - Foundation for Senior Care	52,279	0	0	0	52,278	0	0	52,278	0	0	52,278	0	209,113
600.18 - Fallbrook Food Pantry	18,000	0	0	0	18,000	0	0	18,000	0	0	18,000	0	72,000
600.19 - Live Oak Park Coalition	10,000	0	0	0	10,000	0	0	10,000	0	0	10,000	0	40,000
600.33 - REINS Therapeutic Prgm	16,250	0	0	0	16,250	0	0	16,250	0	0	16,250	0	65,000
600.37 - Trauma Intervention Prgm of SD	2,250	0	0	0	2,250	0	0	2,250	0	0	2,250	0	9,000
600.46 - Mental Health Systems, Inc.	2,312	0	0	0	2,312	0	0	2,312	0	0	2,312	0	9,249
600.48 - UCSD Eye Mobile for Children	0	0	0	0	2,500	0	0	3,000	0	0	3,000	0	8,500
Total 600 - Community Health Contracts	229,504	0	0	0	209,403	0	0	209,903	0	0	209,903	0	858,712
Total Expense	302,690	75,675	66,468	81,570	296,315	81,680	82,521	278,972	69,141	69,170	279,042	89,770	1,773,012
Net Ordinary Income	(277,825)	(36,258)	(47,092)	(46,427)	(236,383)	528,740	224,776	(205,383)	398,783	154,962	(254,772)	(58,533)	144,588
Net Income	(277,825)	(36,258)	(47,092)	(46,427)	(236,383)	528,740	224,776	(205,383)	398,783	154,962	(254,772)	(58,533)	144,588

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

www.treasurer.ca.gov/pmia-laif/laif.asp

October 17, 2017

FALLBROOK HEALTHCARE DISTRICT

ADMINISTRATOR
P.O. BOX 2587
FALLBROOK, CA 92088

PMIA Average Monthly Yields

Account Number:

Tran Type Definitions

September 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	1,451,823.14
Total Withdrawal:	0.00	Ending Balance:	1,451,823.14



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

09/01/2017 through 09/30/2017

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Sep 30 (\$)	Value on Sep 30 (\$)	Average Cost Amount (\$)	Cumulative Unrealized Gain/(Loss) (\$)
FALLBROOK REGIONAL HEALTH DISTRICT						
CalTRUST Medium Term Fund		425,009.315	10.03	4,262,843.43	4,272,159.36	(9,315.93)
Portfolios Total value as of 09/30/2017				4,262,843.43		

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) (\$)
CalTRUST Medium Term Fund				FALLBROOK REGIONAL HEALTH DISTRICT		Account Number:		
Beginning Balance	09/01/2017			424,510.699	10.05	4,266,332.52		
Accrual Income Div Reinvestment	09/29/2017	5,001.12	498.616	425,009.315	10.03	4,262,843.43	0.00	0.00
Closing Balance as of	Sep 30			425,009.315	10.03	4,262,843.43		

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 2017 through June 2018

Type	Date	Name	Amount	Balance
400. · District				
402 · Property tax revenue				
General Jou...	07/31/17	County of SD-pro...	29,432.21	29,432.21
General Jou...	08/31/17	County of SD-pro...	14,327.35	43,759.56
General Jou...	09/30/17	County of SD-pro...	22,989.72	66,749.28
Total 402 · Property tax revenue			66,749.28	66,749.28
Total 400. · District			66,749.28	66,749.28
TOTAL			66,749.28	66,749.28

FALLBROOK REGIONAL HEALTH DISTRICT
Check Detail Report - August 2017

Type	Date	Num	Name	Memo	Amount
102.2 · Cash in Bank - Operating					
Check	09/05/17	9299	Linda Bannerman	Reimbursement for Dental Plan pr...	-215.22
Bill P...	09/05/17	9300	American Express - Credit ...	0-41007	-1,272.99
Bill P...	09/05/17	9301	AT&T U-Verse - computer	146524365	-100.00
Bill P...	09/05/17	9302	AVG Technologies USA, Inc	Order #81133683; Account ID: D2...	-408.99
Bill P...	09/05/17	9303	Aztec Cleaning & Maintena...	Office cleaning - Inv. 033728	-150.00
Bill P...	09/05/17	9304	BETA Health Insurance (...)	FY2016-17 underpayment WC Ins...	-233.00
Bill P...	09/05/17	9305	Fallbrook Chamber of Co...	State of the Chamber Dinner 9/20/17	-35.00
Bill P...	09/05/17	9306	Galvanized strategies form...	Retainer - Community engagement...	-4,000.00
Bill P...	09/05/17	9307	Murphy's Printing	1000 flyers for Prostate Cancer Scr...	-676.94
Bill P...	09/05/17	9308	Village News	1641	-325.00
Bill P...	09/05/17	9309	Glennie's Office Products, ...	6493	-84.23
Bill P...	09/05/17	9310	Kathleen Bogle		-1,675.00
Check	09/08/17			Service Charge	-14.44
Bill P...	09/11/17	9311	County of San Diego	Inv. 2078083-D-05063-0817; Rese...	-4.70
Bill P...	09/11/17	9312	Fallbrook Waste - Hospital...	20-T3 439928	-92.70
Bill P...	09/11/17	9313	FPUD - Hospital 2 008757	008757	-117.49
Bill P...	09/11/17	9314	Iron Mountain-153	CHSRM	-1,127.23
Bill P...	09/11/17	9315	Iron Mountain SX-302	SX302/Fallbrook Hosp.	-1,081.64
Bill P...	09/11/17	9316	Karn Engineering & Survey...	Revised boundary adjustments; Inv...	-1,830.00
Bill P...	09/11/17	9317	Palomar Mountain Premiu...	45919	-12.18
Bill P...	09/11/17	9318	Ramirez Landscaping & Tr...	Landscape maintenance August 2...	-1,600.00
Bill P...	09/11/17	9319	Scott & Jackson Esq.	Professional services 2017 August	-13,698.80
Bill P...	09/11/17	9320	Streamline	Website monthly fee September 20...	-200.00
Bill P...	09/11/17	9321	Termin-8 Pest Control		-250.00
Bill P...	09/11/17	9322	Print Kwik	1 roll up banner stand / Inv. 15029	-114.19
Bill P...	09/11/17	9323	Wendy Wiens	8/23 (1 sig.) and 9/11 (4 sigs.) plus ...	-85.00
Check	09/11/17	9324	Pamela Knox	REIMBURSEMENT FOR WOW R...	-34.46
Bill P...	09/15/17	9325	Fitness Moves	Reimb. for meals during ACHD an...	-68.41
Bill P...	09/18/17	9326	Wade Into Fitness	ACHD: charges for teaching Yoga ...	-268.86
Bill P...	09/18/17	9327	Aztec Cleaning & Maintena...	Office cleaning - Inv. 033702	-150.00
Bill P...	09/18/17	9328	Citrus Plaza Self Storage	Storage Unit #322 rental fee 10/1-1...	-203.00
Bill P...	09/18/17	9329	Maloney & Associates Insu...	Surety Bonds	-1,905.00
Bill P...	09/18/17	9330	Purchase Power (Pitney B...	8000909009769550	-50.00
Bill P...	09/18/17	9331	Sun Realty	Property strategies/meetings for F...	-787.50
Check	09/19/17	9332	Bobbi Palmer	Reimbursement-ACHD annual even...	-46.00
Check	09/20/17	9333	Pamela Knox	Quarterly Dental Insurance Reimbu...	-215.22
Bill P...	09/20/17	9334	Bonsall Chamber of Com...	Registration Fee for 10/12/17 Expo...	-40.00
Bill P...	09/20/17	9335	CalPERS	1559595490	-781.02
Bill P...	09/20/17	9336	Fallbrook Chamber of Co...	Reg. Fee for Fallbrook Harvest Fai...	-60.00
Bill P...	09/20/17	9337	Ace Party Productions	Stage rental; Order 17558	-107.00
Bill P...	09/27/17	9338	Ascent Elevator Services, I...	Elevator Service - Inv. 29139	-182.00
Bill P...	09/27/17	9339	AT&T - phone lines	7607318344-481 5	-154.34
Bill P...	09/27/17	9340	Holloway Computers	IT Services - server and computer ...	-400.00
Bill P...	09/27/17	9341	Konica Minolta Leasing - qds	061-0116888-000	-876.78
Bill P...	09/27/17	9342	SDG&E- Hospital - 8171 / ...		-6,142.33
Bill P...	09/27/17	9343	T.R.Y. Enterprises	Patrol Service for September; Inv. ...	-1,100.00
Bill P...	09/27/17	9344	Touchbase	344664	-56.12
Check	09/29/17	9345	A+ Urgent Care, Inc.	September 2017 subsidy payment	-10,000.00
Check	09/29/17	9346	Linda Bannerman	Reimbursement-Costco supplies a...	-54.27
Bill P...	09/29/17	9347	Aztec Cleaning & Maintena...	Office cleaning - Inv. 033705	-150.00
Bill P...	09/29/17	9348	FPUD - FHD 1 007721	007721-000	-84.22
Bill P...	09/29/17	9349	FPUD - FHD 2 007720-001	007720-001	-183.36
Bill P...	09/29/17	9350	FPUD - Hospital 1 007720...	007720	-1,504.66
Bill P...	09/29/17	9351	L & M Enterprises, Inc.	September bookkeeping services	-3,150.00

Type	Date	Num	Name	Memo	Amount
Bill P...	09/29/17	9352	Village News	1641	-1,408.00
Bill P...	09/29/17	9353	Wendy Wiens	Notary and travel fees for 9/19 and ...	-55.00
Total 102.2 · Cash in Bank - Operating					-59,622.29
TOTAL					<u>-59,622.29</u>

**FALLBROOK REGIONAL HEALTH DISTRICT
REGULAR BOARD MEETING
Wednesday, October 11, 2017, 6:00 p.m.
Fallbrook Public Utilities District, 990 E. Mission Rd., Fallbrook**

Minutes

A. CALL MEETING TO ORDER – PLEDGE OF ALLEGIANCE

President Tinker called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

Present: Directors Bill Leach, Barbara Mroz, Howard Salmon and Gordon Tinker.

Absent: Director Abbott

Also Present: Executive Director Bobbi Palmer and Legal Counsel Blaise Jackson.

B. ADDITIONS TO AGENDA

None

C. BOARD MEMBER AND PUBLIC COMMENTS

Debra Lorenzen of Mental Health Systems, Fallbrook Youth Advocacy Coalition, (a group of youth in our community advocating against youth drug and alcohol use) announced that Saturday, October 28, 2017, is a Prescription Take Back event and residents can drop off their unused or expired medications at the local Sheriff's Department and other locations. She noted there is a box outside the Sheriff's Department at all times where people can drop off unused medications and sharps. She brought flyers for distribution.

D. PRESENTATIONS

D1. Fallbrook Youth Advocacy Coalition

The data to be presented regarding their recent community survey is still being processed and will be presented at a later date.

D2. Proclamation Honoring the Fallbrook Regional Health District by Chairwoman Dianne Jacob and all members of the San Diego County Board of Supervisors

Executive Director Bobbi Palmer said this includes recognition of two other community entities working in conjunction with our District. She invited Executive Director Rachel Mason and members of the Board of the Foundation for Senior Care to join her at the microphone. She read a Proclamation from Supervisor Horn recognizing Fall Prevention Awareness Week and presented the Proclamation to the Foundation for Senior Care. Rachel Mason discussed their new "Door Through Door" program funded by FRHD. Bobbi Palmer invited Kevin Mahr of the North County Fire Protection District (NCFPD) and their Board President Ruthie Harris to join her and receive the NCFPD Proclamation recognizing Fall Prevention Awareness Week. Kevin Mahr discussed the fire department's role in the prevention of falls, working with the Foundation for Senior Care. He noted FRHD provides funding for the NCFPD transportation needs. Bobbi Palmer then invited the FRHD Board to join her in receiving the District's Proclamation from Supervisor Bill Horn and the San Diego County Board of Supervisors in recognition of Fall Prevention Awareness Week for the programs provided through the Community Health Contract awards.

E. CONSENT ITEMS

- E1. Approval of August 2017 Financial Statements
- E2. Minutes of September 6, 2017 Finance Committee Meeting
- E3. Minutes of September 6, 2017 Special Board Meeting
- E4. Minutes of September 13, 2017 Regular Board Meeting

President Tinker reviewed the above listed Consent Items asking if any member of the Board wanted to discuss any item further. No further discussion was requested.

Action: It was moved by Director Salmon, seconded by Director Mroz to approve the Consent Items as presented. Motion carried with President Tinker abstaining on E3 and E4 as he was not present. Items E1 and E2 carried 4-0. Items E3 and E4 carried 3-0.

F. REPORTS

- F1. Finance Committee – Committee of the Whole, Chair: Director Mroz
Committee Chair Barbara Mroz provided the Finance Committee report. She said the financial reports through August 2017 were reviewed at the Finance Committee meeting of October 4th and found to be in good order. The LAIF balance was \$1,451,823 and the balance in the Cal-Trust account was \$4,266,332. There were no Community Health Contract payments, and legal expenses increased due to the closing of escrow on the sale of the old hospital building. Consulting fees had decreased.
- F2. Gov't/Public Relation/Community Relations Committee – Directors Salmon and Tinker
Director Salmon congratulated Erica Holloway of Galvanized Strategies for her efforts in assisting the District through the sale of the old hospital building to Crestwood Behavioral Health. He also recognized the efforts of Bobbi Palmer serving on multiple committees in support of healthcare districts during the recent Little Hoover Commission review. Director Tinker recognized the efforts of Legal Counsel Blaise Jackson in resolving some matters with the County of San Diego in order to facilitate the recent close of escrow.
- F3. Facilities/Strategic Planning Committee – Directors Abbott and Salmon
In the absence of Director Abbott, Director Salmon reported that he believes a Facilities/Strategic Planning Committee meeting should be scheduled soon to discuss the District's plan for the future following the sale of the old hospital building.
- F4. Executive Director – Bobbi Palmer
Executive Director Bobbi Palmer reported regarding Community Health efforts. She said the annual Free Prostate Cancer Screening took place on September 30, 2017. Philip Brodak, M.D., Urologist, donates his time and expertise each year to provide this event. The District pays for the PSA lab tests, Fallbrook Family Health Center hosts the screening and helps to facilitate the event along with RN students from California State University San Marcos and volunteers (former Fallbrook Hospital Auxiliary members). At the last minute, LabCorp stepped up to assure that the participants could go to one of their centers to get the lab work done. Sixty-six gentlemen participated. During the Harvest Faire, the public health nurses provided free flu shots to 130 residents. The District advertised the flu shots and provided lunch to the volunteers. FRHD had a booth with the RN students from CSUSM providing free health education activities. The Fallbrook Family Health Center had a booth with free BP checks and blood sugar tests.
Executive Director Bobbi Palmer recognized Howard Salmon as having been appointed the new Chairman of the Board of the Association of California Health Districts (ACHD). In addition, at the ACHD Annual Meeting in San Diego in September, Fallbrook Regional

Health District provided a presentation regarding our website (presented by Bobbi Palmer and Linda Bannerman). FRHD uses Streamline and demonstrated how it is set up to meet Best Practices and regulatory guidelines. FRHD was recognized for the quality of its website.

- F5. General Counsel – Blaise Jackson
 Legal Counsel Blaise Jackson said his comments would be confined to Agenda Items G1 and G3.

G. DISCUSSION/ACTION ITEMS

- G1. Consideration and Adoption of Accrued Vacation and Sick Time/Holidays
 This item had been brought to a prior board meeting and has been brought back in a format consistent with Policies & Procedures and modified to include recommended changes.
Action: It was moved by Director Salmon, seconded by Director Leach to approve the Accrued Vacation and sick Time/Holidays Policy as presented. Motion carried 4-0.
- G2. Further Discussion of Urgent Care
 There had been two Public Forums, the first discussing the use of the downstairs room at the FRHD office for community meetings in 2018, and the second discussing Urgent Care services in our District. The Urgent Care services discussion has been ongoing since the closure of the hospital. Ideally, 24-hour services would be possible. Whether it is feasible is in question. There had been discussion of splitting the services between providers with support from the North County Fire Protection District. A survey through Survey Monkey is planned within the next few weeks.
Action: It was moved by Director Salmon, seconded by Director Leach to establish a committee consisting of the President, Vice-President and Executive Director to develop an RFP for Urgent Care services.
- G3. LAFCO Recommended Boundary Change
 Legal Counsel said he received communication from the attorney for Tri-City Hospital District indicating that Tri-City Hospital wants to pursue a recommendation from LAFCO in their 2015 Municipal Services Report. They identified an area in the boundaries of FRHD that falls within the boundaries of the city of Oceanside. LAFCO recommended that the area be annexed to the Tri-City Hospital District. Legal Counsel said it represents approximately 3 percent of the FRHD District (approximately 2700 acres) and a loss of around \$55,000 in property tax revenue. Discussion ensued. Questions arose as to whether the people living in the area are notified of the proposed change. Legal Counsel said no action is required by the Board if there is no objection. Director Mroz said she would like know the opinion of Director Abbott, who was absent for the meeting.
Action: It was moved by Director Mroz, seconded by Director Salmon to table this item to the next meeting.
 Executive Director Palmer recommended that FRHD consider having representation on the LAFCO Board when the 2-year opportunity arises.

H. ITEMS FOR SUBSEQUENT MEETINGS

- H1. Other Director/Staff discussion items
 H1a. Item(s) for future board agendas
 Further Urgent Care Services Discussion

H1b. Announcements of upcoming events:

- Bonsall Chamber Expo – Thursday, October 12, 2017, 4:30-7:30pm, Pala Mesa Resort
- Fallbrook Harvest Faire 2017 – Sunday, October 15, 2017, 10:00am-4:00pm, Downtown Fallbrook
- Community Collaborative for Health & Wellness Committee (CCH&W) meeting – Monday, October 16, 2017, 9:00-10:30am, Fallbrook Public Utility District Board Room
- CSDA 2017 Board Secretary/Clerk Conference – October 22-24, Anaheim
- Halloween Festival – Tuesday, October 31, 2017, 6:00-8:00pm, Fallbrook Community Center
- NCCCHI meeting – 1st Wednesday, November 1, 2:00-3:00pm
- Finance Committee meeting – 1st Wednesday, November 1, 5:00pm Fallbrook Healthcare District Board Room, 138 S. Brandon Rd.
- Woman of Wellness – Thursday, November 2, 2017, 6pm – Fallbrook Library

H2. Next Regular Board meeting – Wednesday, November 8, 2017, Fallbrook Public Utility District Board Room

I. ADJOURNMENT

There being no further business, the meeting was adjourned at 6:57 p.m.

Gordon Tinker, President

Howard Salmon, Vice-President

Fallbrook Regional HEALTH DISTRICT

FINANCE COMMITTEE
Wednesday, October 4, 2017 at 5:00 P.M.
Board Conference Room, 138 S. Brandon Rd., Fallbrook CA 92028

MINUTES

Committee Members Present: Barbara Mroz, Chair; Howard Salmon and Stephen Abbott.
Staff Members: Executive Director Bobbi Palmer; Accountant Kathy Bogle and Bookkeeper Wendy Lyon

1. Call to Order/Roll Call

The meeting was called to order at 5:00 p.m. by Barbara Mroz, Chairperson

2. Public Comments

None

3. Review of Financial Statements for August 2017

1) Balance Sheet Comparison of August – July

2) Income Statement for August 2017 and fiscal year to date

3) Profit & Loss Actual vs Budget – August

4) Profit & Loss Budget Overview July 2016 – June 2017

The above listed financial reports were reviewed. There was no change in cash in the bank as it was noted that property tax revenue is not received during the month of August. There was discussion regarding fixed assets. Bobbi Palmer reviewed the sidewalk project, the person who is hired to do the construction and said the contract for the construction project is in process. There was also discussion regarding untangling the utilities between the old hospital building and the FRHD office building. Following the close of escrow, Bobbi will work with Crestwood to allow 30 days to change over the utilities for the Crestwood building. Legal fees were higher than usual due to the close of escrow and consulting fees decreased.

5) LAIF Report

The LAIF account balance was \$1,451,823.

6) CalTrust

The Cal-Trust account balance was \$4,266,333.

7) Property Tax Revenue – fiscal year to date

Property Tax Revenue fiscal year-to-date was \$43,759.56

8) Check Detail as of August 2017

This report was reviewed by the committee.

9) Communication Only

A report from A+ Urgent Care was reviewed and discussed. There was also discussion regarding an increase in the SDG&E billing for the hospital building which occurred on a day when specific testing was being done.

Prior to adjournment, Bobbi Palmer announced that Howard Salmon has been appointed Chairman of the Board for ACHD.

4. Adjournment

There being no further business, the meeting was adjourned at 5:45 p.m.

Board Secretary/Clerk

REPORTS

REPORTS

Executive Director – Bobbi Palmer

Fallbrook Regional HEALTH DISTRICT

To: Board of Directors
Fallbrook Regional Health District

From: Bobbi Palmer, MBA, MSW
Executive Director

Re: Monthly Report

Date: November 2, 2017

Community Health

1. **“Thriving through the Holidays”**. Payal Beam, LCSW Vice President of Mental Health Systems. Presenter discussed the best way for us to approach the holiday season without putting undue stress on ourselves. This venue at the public library is part of The Women of Wellness monthly series.
2. **Breast Cancer Awareness** and Michelle’s Place. As part of Breast Cancer awareness month, funding provided by Fallbrook Regional Health District free screenings were offered at Jack E. John’s Family Clinic. Early detection is the key to surviving breast cancer. The overall 5-year relative survival rate for female breast cancer patients has improved from 75% in 1977, to now 99% with women diagnosed with localized breast cancer. The increase is due largely to improvements in treatment (i.e. chemotherapy, hormone therapy, and targeted drugs) and to earlier diagnosis. *Prevent the Preventable*.

Community Health Contract Management

A check in the amount of \$5,000 was received from Palomar Health Foundation as a result of recognition that proposed outcomes were not met. Additional time was awarded provided the organizational sufficient time to meet goals.

Media and Outreach

Based on a report provided by Galvanized Strategies for the month of October, the hospital sales news resulted in a solid surge in media coverage reaching about 440,000 hits.

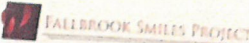


Fallbrook Regional HEALTH DISTRICT

NORTH COUNTY COMMUNITIES COLLABORATIVE HEALTH INITIATIVE

OUR GOAL

Decrease incidence in diabetes, hypertension, and heart disease in the area we are serving by educating, screening, referring, advocacy, and community outreach as well as integrating community classes, exercise/ physical activity so others may thrive.



Senior Care



NCCCHI COLLABORATIVE AND CAL STATE UNIVERSITY SAN MARCOS RN STUDENTS PROVIDING HEALTH SCREENINGS AT LOCAL NURSERY.

WELLNESS TIME

Center



DEMONSTRATION INGREDIENTS COOKBOOK



Fallbrook Family Health Center
Cal State University San Marcos RN Students
Fallbrook Food Pantry Collaboration

HEALTH AND WELLNESS INITIATIVES:

collaborative recognized businesses and groups actively involved in promoting wellness and named them Health Champions for a specific month. Mayor Joe Anderson recognized our efforts and provided certificates of appreciation to each Health Champion, presented at our Woman of Wellness monthly events at the library.

WOMAN OF WELLNESS - PURPOSE:

improving physical, mental, and emotional health and providing a variety of monthly programs for women of all ages and well-being choices for themselves and their families.



FALLBROOK REGIONAL HEALTHCARE DISTRICT AND NORTH COUNTY FIRE PROTECTION DISTRICT WORKING TOGETHER TO PROVIDE EMERGENCY SERVICES TO THE BONSALL, DeLUZ, FALLBROOK AND RAINBOW COMMUNITIES.



**Fallbrook Regional
HEALTH DISTRICT**

COUNTY COMMUNITIES COLLABORATIVE HEALTH INITIATIVE
OUR GOAL
 Reducing the incidence in diabetes, hypertension, and heart disease in the communities we are serving by educating, screening, referring, and community outreach as well as integrating classes, exercise/physical activity so others may thrive.



NIJCCI COLLABORATIVE AND CAL STATE UNIVERSITY SAN MARCOS RN STUDENTS PROVIDING HEALTH SCREENINGS AT LOCAL NURSERY.

ACTIVITY - WELLNESS STEP AT A TIME with Community Center



HEALTH AND WELLNESS INITIATIVES:
 Eye Care, Diabetes, Blood Pressure, Cholesterol, Nutrition, Stress Management, and more.

WOMEN OF WELLNESS - PURCHASE:
 Information about purchasing health products.



**Fallbrook Regional
HEALTH DISTRICT**



**Fallbrook Regional
HEALTH DISTRICT**

MISSION
 Promoting health for the people of the District

VISION
 Reducing the impact of identified major health issues in our District

Strategic Initiatives
 Pre-Diabetes & Diabetes, Hypertension, Heart Disease, Behavioral Health

Board directors:
 Howard Salmon and Bill Leach attended Stanford Health Promotion Network First Annual Summit

UNIQUE FACTS ABOUT THE DISTRICT:
 Fallbrook Regional Health District is located in an unincorporated area in northern San Diego County, and is located immediately east of the U.S. Marine Corps' Camp Pendleton. It covers 10,000 acres and is home to 15,000 residents. Fallbrook is known for its avocado groves and (Lemo and the 1912 "Avocado Capital of the World"). The District covers 93 square miles. Dr. Lee, Fallbrook, with a population of approximately 17,000, just a hour's drive from San Diego. Call today for more information. For more information contact the services provided - all those served.

CHC COMMUNITY HEALTH CONTRACTS
 42 ORGANIZATIONS HAVE BENEFITED FROM THE CHC PROGRAM. WE HAVE FUNDED 317 HEALTH PROGRAMS SINCE THE YEAR 2000.

YOUTH SERVICES
 Eye Glasses, Mentoring, Counseling, Stress Free Copies, Vision Screening, Dental Screening, Swim Safety, First Aid, CPR, Life Skills, and more.

HEALTHY FOOD
 Families: 500-Work, Households: 6,278, Farms: 222,793

FORMED BY:
 The Fallbrook Regional Health District was formed in 1997 through the merger of the Fallbrook Health District and the San Marcos Health District. The District provides a wide range of health services to the community. At that time the District was formed by the merger of the Fallbrook Health District and the San Marcos Health District. The District provides a wide range of health services to the community.





Fallbrook Regional Health District

Monthly Mention Digest

[Dashboard Export](#)

Fallbrook Regional Health District

Document Page 1-4



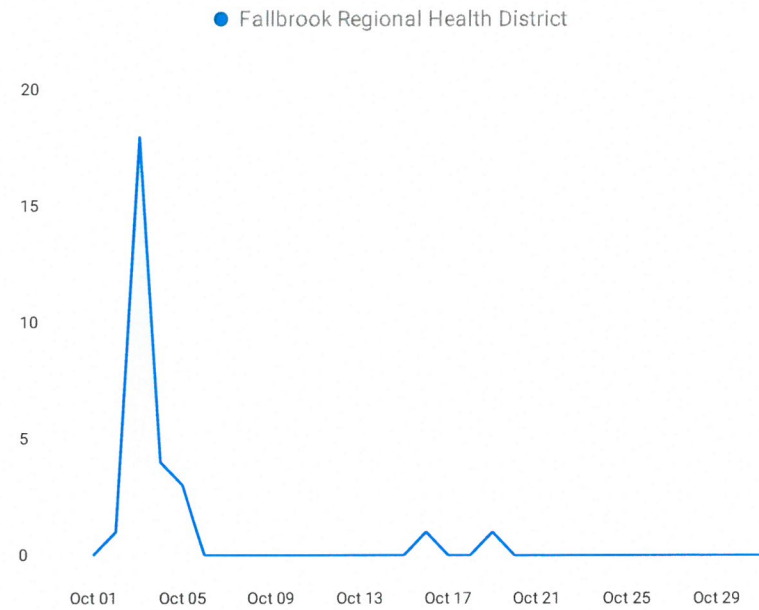
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Volume

10/01/2017 to 10/31/2017 (Fallbrook Regional H..

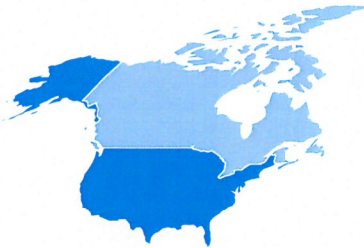
10/01/2017 to 10/31/2017

Reach
439K
▲ +1,116.45%



Top Locations

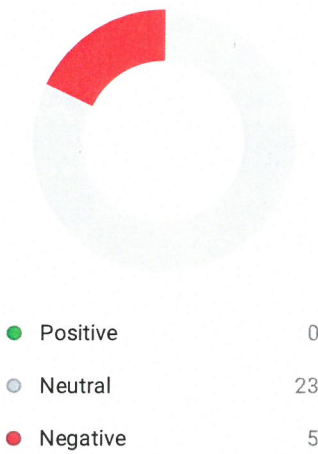
10/01/2017 to 10/31/2017 (Fallbrook Regional Health District)





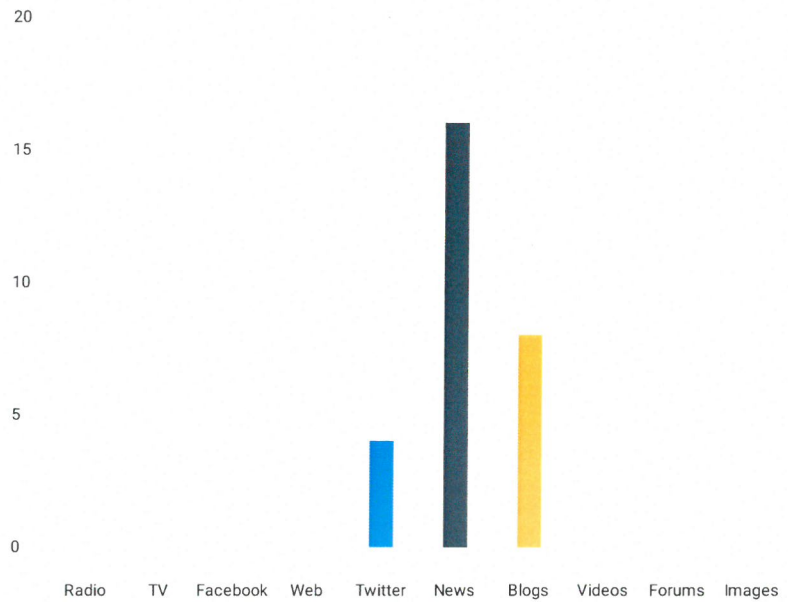
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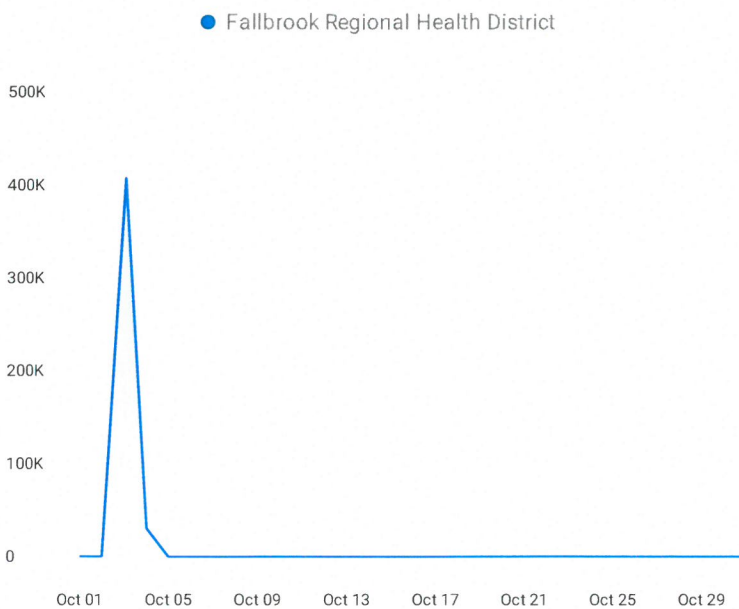
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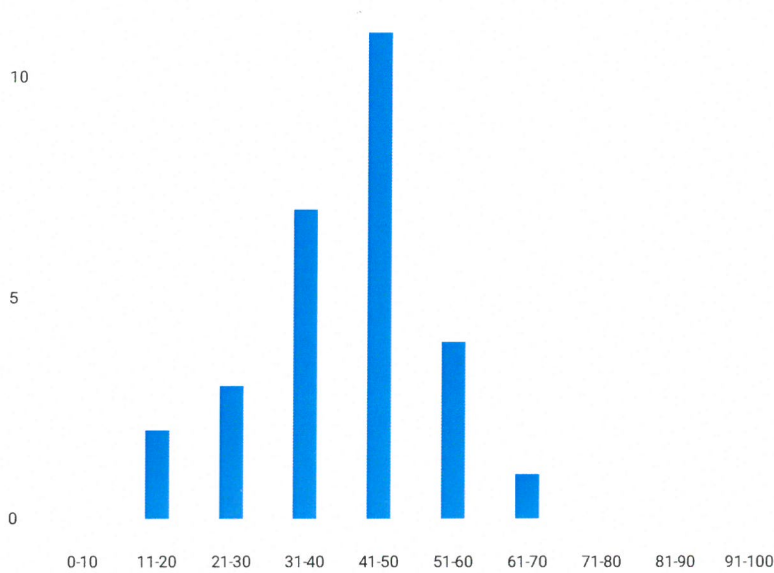
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Fallbrook Regional Health District

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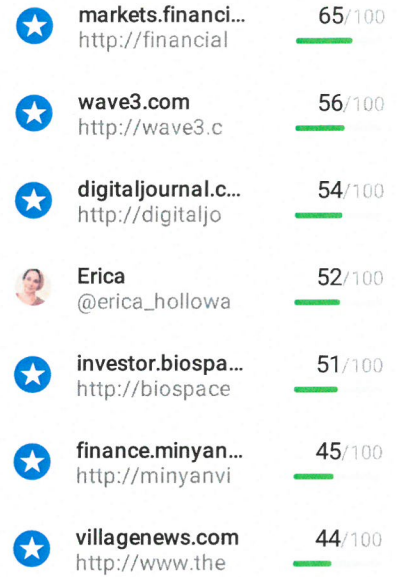


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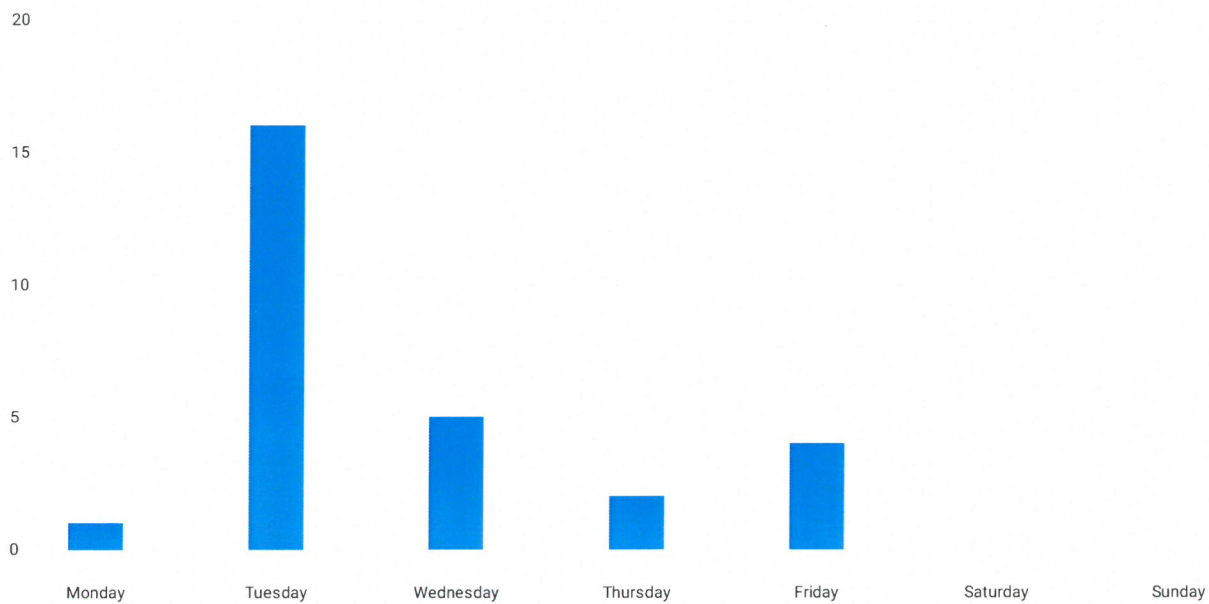
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Weekdays

10/01/2017 to 10/31/2017 (Fallbrook Regional Health District)



REPORTS

Legislative Communication



HURST+BROOKS+ESPINOSA

A note to our readers...

During the Legislature's interim, we are publishing *This Week in Sacramento* on an as-needed basis. Members return to Sacramento on January 3, 2018 to begin the second year of the 2017-18 Legislative session.

This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF OCTOBER 16, 2017

Governor Brown Wraps Up Bill Signings

The Governor's 30-day bill signing period ended on Sunday, October 15 at midnight. Of the 977 bills acted on, the Governor signed 859 and vetoed 118. This 12 percent veto rate is in line with Governor Brown 2.0's typical signing patterns; his veto rate in the seven previous legislative years (2011 to 2016) has been between 10.7 and 15 percent. Fun fact – his immediate predecessors tended to veto bills at a higher rate:

- Governor Arnold Schwarzenegger vetoed between 22.3% and 35% of the bills during his time in office (2004 to 2010);
- Governor Gray Davis between 6% and 25% (1999 to 2003); and
- Governor Pete Wilson between 8.6% and 24.5% (1991 to 1998).

Below, we report on bills of consequence acted on in more recent weeks. (See our publication from the week of October 2, which summarizes the Governor's action on a number of immigration-related measures as well as the affordable housing package.) Counties, cities, and other stakeholders had to wait until the very last hour to learn the fate of Senator Ben Hueso's SB 649, which would have imposed restrictions on local governments' ability to regulate small cell wireless facilities.

HOT BILLS

Small Cell Technology – The Governor vetoed Senator Ben Hueso's SB 649, a measure sponsored by the telecommunications industry, which would have established a new, streamlined and – from the local government perspective – extraordinarily problematic regulatory process for small cell wireless facilities. The Governor's veto [message](#) – which indicates his support for “a process that results in extending this innovated technology rapidly and efficiently” – leaves the door open for the sponsors to revisit the matter next year. His veto indicates that local government interests in managing rights of way “require[e] a more balanced solution than the one achieved in the bill.” Stay tuned, but for the moment, major kudos to the local government associations and advocates who worked so diligently in opposition to this measure.

Worth Noting: Support the North Bay Communities

You are undoubtedly aware of the massive fires that have devastated much of the north state this past week. So many people have lost homes, businesses, schools, and churches. These communities are strong and resilient, but will need time and resources to rebuild. Please consider a financial contribution to one (or more) of the following organizations to assist in recovery efforts.

[Sonoma Community Foundation Resilience Fund](#)

[Redwood Credit Union North Bay Fire Relief Fund](#)

[Napa Valley Community Foundation](#)

[The Community Foundation of Mendocino County Disaster Fund](#)

Park and Water Bond – The Governor signed [SB 5](#), by Senator Kevin de León – the Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 – which submits to voters a \$4 billion general obligation bond for various specified purposes.

Medical Managed Care – [AB 205](#) (Wood) and [SB 171](#) (Hernandez) both were signed into law. Each measure tackles different aspects of the effort to implement the April 2016 federal rule for Medicaid managed care plans and the March 2016 federal rule for mental health and substance use disorder parity. AB 205 requires DHCS to develop time and distance regulatory standards for health care provider types specified in federal regulation and implements new appeals and grievances timelines and processes for Medi-Cal beneficiaries required by the managed care rule. SB 171 (Hernandez) contains the public hospital funding provisions, implementation of the Medical Loss Ratio for managed care plans, and mental health and substance use disorder parity implementation, including allowing DHCS to issue direction by July 1, 2022.

Pharmaceutical pricing – The Governor signed the two pharmaceutical drug pricing bills that made it to his desk. (Another, SB 790, by Senator Mike McGuire, which would have imposed additional limits on offering gifts to a health care provider by drug manufacturers, stalled in the latter part of the of session.) [AB 265](#), by Assembly Member Jim Wood, limits when manufacturers could offer rebates or discounts for brand-name drugs when generic alternatives are available. The measure includes exemptions for certain HIV/AIDS drugs or when patients have gotten authorization for brand-name drugs from their health plans. [SB 17](#) requires health care service plans or health insurers to report confidentially to the Department of Managed Health Care (DMHC) and California Department of Insurance (CDI) on prescription drug spending, including the most frequently prescribed drugs, the most expensive drugs, and the drugs with the highest year-over-year increase in spending. The bill additionally imposes specific reporting requirements by DMHC and CDI.

CRIMINAL JUSTICE-RELATED BILLS

The following bills in the criminal justice area also were enacted.

- AB 529 (Stone) requires the sealing of juvenile records when a petition is dismissed.
- AB 1308 (Stone) expands the youth offender parole process for persons sentenced to lengthy prison terms for crimes committed before age 23 to include those 25 or younger.
- AB 1448 (Weber) allows the Board of Parole hearings to consider the possibility of granting parole to an elderly prisoner who has served at least 25 years in prison. A signing message can be found [here](#).
- SB 180 (Mitchell) repeals the three-year sentence enhancement for certain prior drug convictions that are added to any new conviction.
- SB 190 (Mitchell) ends the assessment of fees on families of youth in the juvenile justice system.
- SB 312 (Skinner) authorizes courts to seal juvenile records for certain offenses.
- SB 393 (Lara) authorizes record sealing and removes barriers to employment for those arrested but never convicted of a crime.
- SB 394 (Lara) ensures compliance with U.S. Supreme Court decisions by allowing children sentenced to life without the possibility of parole to be eligible for a parole hearing after 25 years.
- SB 395 (Lara) requires children aged 15 years or younger to consult with an attorney before waiving their rights and before a custodial interrogation.

- SB 620 (Bradford) restores judicial discretion regarding the imposition of firearm enhancements. Judges retain full authority to impose such sentencing enhancements.
- SB 625 (Atkins) creates an honorable discharge program for youth who successfully complete probation after release from the Department of Juvenile Justice.

FAMILY LEAVE AND RELATED MEASURES

The Governor signed a group of bills aimed to support California's women, working parents, and children, including SB 63, by Senator Hannah-Beth Jackson, which extends the provision of 12 weeks of unpaid maternity or paternity leave for Californians to companies with between 20 and 49 employees. Additionally, the Governor enacted all of the following measures:

- SB 500 (Leyva) expands the crime of extortion to include demands for sexual activity and images of intimate body parts. Governor Brown signed SB 500 on October 5, 2017.
- AB 10 (C. Garcia) requires public schools serving low-income students in grades 6 to 12 to provide feminine hygiene products in half of the school's bathrooms at no charge.
- AB 168 (Eggman) prohibits all employers, including the Legislature as well as state and local governments from seeking salary history information about an applicant for employment and requires an employer to provide the pay scale for a position to an applicant upon reasonable request.
- AB 273 (Aguiar-Curry) expands the eligibility criteria for subsidized child care services to parents who are taking English as a second language or high school equivalency courses.
- AB 480 (Gonzalez Fletcher) provides CalWORKs participants assistance with diaper costs for children under three years old.
- AB 557 (Rubio) makes CalWORKS homeless benefits immediately available to applicants who are victims of domestic violence.
- AB 1312 (Gonzalez Fletcher) extends the amount of time that rape kits and forensic evidence must be kept and adds specific rights for rape survivors to California law.
- AB 1386 (Waldron) provides patients with information relating to breast cancer susceptibility gene (BRCA) mutations in order to inform treatment decisions and increase genetic counseling and screening rates.

The Future of the Affordable Care Act

On the federal front, the future of the Affordable Care Act (ACA) continues to be vulnerable. President Trump signed an [executive order](#) on October 12 directing federal agencies – the Secretaries of Labor, Treasury and Health & Human Services – to consider ways to purchase health coverage that is exempt from many of the ACA standards. The executive order does not change existing policy; rather, it directs federal agencies to consider making changes by issuing regulations and revising guidance. Those changes would be subject to the existing rule making process and public comment, which will take several months. The executive order addresses several issues:

- **Short-Term Health Insurance Plans.** The order directs agencies to consider rolling back limits on short-term health insurance plans that do not have to comply with ACA standards. The current regulations define short-term as less than three months. There is speculation that the Trump Administration will move to a 12-month definition of short term, which would allow these plans to operate as an alternative to the ACA-compliant market for individual coverage.

- **Association Health Plans.** The executive order directs federal agencies to make association health plans (AHPs) available to small businesses on a nationwide basis. The order could open the door to letting AHPs sell coverage to small businesses without complying with the ACA's rules for small group coverage or complying with other state health insurance laws, potentially including those that protect consumers from fraud and insolvent plans. An association health plan can set different rates for different employers – a company with older sicker workers might pay much more than a firm with young healthy employees.

The Washington Post ran an [article](#) comparing the AHPs with multiple employer welfare arrangements (MEWAs), highlighting the Government Accountability Office's highly critical report of the MEWAs and lack of oversight and consumer protections.

Similar to the short-term health insurance plans, the AHPs could operate as an alternative to the ACA-compliant market for individual coverage. Both proposals would create a challenge to the ACA's risk pools and create adverse selection. Healthier people would likely enroll in non-ACA-compliant plans (because they would be cheaper). Small businesses with healthier employees would likely do the same. As healthier people leave the exchanges, premiums would rise for individuals and small businesses. Individuals with high health needs could be faced with high, perhaps unaffordable, health care costs.

- **Health Reimbursement Arrangements.** The executive order call for expanding health reimbursement arrangements (HRAs), which are employer funded accounts that employees can use to pay for health insurance premiums and/or out-of-pocket costs. Under the ACA, HRAs must be paired with a regular health insurance plan. Some small employers are permitted under existing law to offer standalone HRAs. The executive order could change the rules to allow more employers to offer standalone HRAs, which could reduce the number of employers offering health insurance plans.
- **Reporting.** The executive order also calls for a report on state and federal policies that limit competition and choice in the health care industry. It is not clear if the Trump Administration is signaling that they want to crack down on the consolidation of doctors, hospitals, and health care providers.

Here's a sampling of the responses to the executive order from providers and health plans:

- **American Hospital Association:** "Today's executive order will allow health insurance plans that cover fewer benefits and offer fewer consumer protections. No one can predict future health care needs with complete certainty and such plans could put patients at risk when care is needed most."
- **American Medical Association:** "The AMA supports patient choice and promoting market competition, and supports the concept of association health plans. We have concerns, however, the executive order's proposal to expand access to association health plans and allow short-term plans to cover longer time periods may weaken important patient protections and lead to instability in the individual health insurance market."
- **America's Health Insurance Plans:** "We believe that reforms must stabilize the individual market for lower costs, higher consumer satisfaction, and better health outcomes for everyone. And we

believe that we cannot jeopardize the stability of other markets that provide coverage for hundreds of millions of Americans. We will follow these principles – competition, choice, patient protections and market stability - as we evaluate the potential impact of this executive order and the rules that will follow.”

- **Covered California’s Executive Director Peter Lee:** “We want to make sure that all of you and Covered California’s consumers understand that the actions in Washington:
 - Do not have ANY IMPACT on coverage or rates for 2017;
 - Does not in any way limit their access to cost-sharing reduction benefits that make accessing care more affordable now or in 2018.
 - We have developed a “work-around” to build the costs of the CSR program into subsidized premium, meaning the costs will be covered by an increase in the Advanced Premium Tax Credit.
 - The decision also does not affect Covered California’s prices for 2018 – which are already posted on our website at CoveredCA.com – or the renewal process that has already started for existing consumers. (If you haven’t already – take a few minutes to check out the new eligibility process and “Shop and Compare” that includes a way to see if your doctor is covered by the plan you are considering.)”

Late on October 12, the Department of Health and Human Services announced it will stop cost-sharing reduction payments immediately. Stopping the payments could increase premiums by 15-20 percent and prompt more insurers to withdraw from marketplaces.

Recall that the cost sharing reduction payment are \$7 billion in annual payments to reimburse insurers for discounting deductibles and co-payments for the lowest-income enrollees. The elimination of the CSRs are grounds for insurers to back out of their federal contracts to sell plans next year. The Administration had been making the payments on a month-to-month basis. Halting them will further undermine the insurance marketplaces.

As discussed above, California is prepared for the end of CSRs. In anticipation of such a move, Covered California proposed a new rate structure that includes an additional premium increase for silver-level plans only (silver is the second least expensive of the four tiers) as an alternative to broadly raising all premiums. The surcharge would trigger the caps on out-of-pocket costs for policy holders, requiring the federal government to make payments that would allow insurers to continue offering lower co-payments and deductibles. Covered California said that the silver-tier plans would no longer be a good option for consumers who receive no subsidy; the department is working with independent insurance advocates to get the message out to consumers. Governor Brown signed legislation ([AB 156](#), Wood – Chapter 468, Statutes of 2017) to preserve Covered California’s enrollment period at 12 weeks, 6 weeks more than the federal government is providing.

California Attorney General Xavier Becerra announced on October 13 that California will be joining Kentucky, Massachusetts and Connecticut in a lawsuit regarding the decision to end CSRs. The states will seek a ruling from a federal judge that the subsidies are lawful, and that ending them violates the law.

The California Public Hospitals and Health Systems released a media statement on the CSR issue: “This executive order destabilizes the insurance marketplace and could make health coverage unaffordable for many working families who might not qualify for Medicaid, and who don’t have the

option of employer-based insurance,” said CAPH President and CEO Erica Murray. ‘It could undermine the progress we’ve made in reducing the number of uninsured patients across the state.’”

September State Revenues Show Promise

The Department of Finance and the State Controller’s Office have both released their month-end summaries of state revenues, and the news is good. While DOF and SCO use different methodologies to measure the state’s monthly cash, both offices report September revenues as exceeding budget estimates.

The Department of Finance’s monthly [Finance Bulletin](#) indicates state revenues exceeding budget estimates by \$190 million for the month of September. That puts DOF year-to-date revenues as \$666 million over budget estimates. The State Controller’s Office [monthly cash report](#) shows better-than anticipated September cash of \$50.9 million over budget estimates, with year-to-date revenues at \$583.4 million over budget estimates.

New Disclosure Requirements for Local Government Bonds

Local agencies that are considering entering the bond market in 2018 or after may wish to review new disclosure requirements recently signed into law by Governor Brown. These requirements – outlined in [SB 450](#) (Hertzberg) – will require local agencies to disclose prior to the authorization of the issuance of bonds with a term of greater than 13 months good faith estimates of the following information in a meeting open to the public:

1. **True interest cost of the bonds:** the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds.
2. **Finance charge of the bonds:** the sum of all fees and charges paid to third parties.
3. **Amount of proceeds received by the public body for sale of the bonds:** the proceeds of the bonds net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds.
4. **Total payment amount:** the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds.

SB 450 requires that the good faith estimates be obtained from an underwriter, financial advisor or private lender. Local agencies that seek to sell bonds in 2018 should consider the requirements of SB 450 when developing their financing schedule. Bond counsel can help determine if the provisions of SB 450 apply.

Legislative Analyst Looks at Property Tax Inheritance Exclusion

In a recent [report](#), the Legislative Analyst’s Office (LAO) reviews the policy authorizing children or grandchildren to inherit a homeowner’s property value. Under most circumstances, in California, when property changes hands, the property value – and the resultant property tax – increases. In 1986, however, voters approved Proposition 58, which excludes certain property transfers from parents to children from reassessment. Ten years later, Proposition 193 extended this exclusion to grandparents and grandchildren, if the grandchildren’s parents are deceased. These exclusions apply to all inherited primary residences, regardless of value.

The LAO suggests that the Legislature may wish to review these policies, as it has identified a number of concerns, including: loss of revenue to local governments, exacerbated inequities that result among owners of similar properties, and enhanced incentive to convert owner-occupied homes to rentals or other uses.

The LAO offers the Legislature some guidance in reviewing the property tax inheritance exclusion: if the goal is to prevent property taxes from making it prohibitively expensive for a family to continue to own or occupy a property, the existing policy is crafted too broadly and there are options available to better target the benefits, like phasing in the benefit or using a means test to target relief where it is needed most. Any changes to this policy, however, must ultimately be approved by voters.

Upcoming Hearings

A number of interim policy hearings have been scheduled over next month or so. Agendas and materials can generally be found at the sponsoring committee's website (refer to relevant links for the [Senate](#) and [Assembly](#)).

Date / Location*	Committee	Topic
Wednesday, October 18 @ 1:30 p.m.	Senate Public Safety Committee	Violent Protests & Police Response
Monday, October 23 @ 1 p.m.	Assembly Select Committee on Health Care Delivery and Universal Coverage	Health Care Delivery Systems in California and Other Countries (Day 1)
Tuesday, October 24 @ 10 a.m.	Assembly Housing and Community Development Committee	The Housing Affordability Crisis: Exploring the Effects of Renter Displacement
Tuesday, October 24 @ 2 p.m.	Assembly Select Committee on Health Care Delivery and Universal Coverage	Health Care Delivery Systems in California and Other Countries (Day 2)
Friday, October 27 @ 1 p.m. Eureka	Joint Committee on Fisheries and Aquaculture	California Fishery Updates Including Salmon, Crab and Disaster Declarations: Current Status and 2018 Legislative Declarations
Thursday, November 2 @ 10 a.m. Pasadena	Assembly Select Committee on Regional Transportation Solutions	Advancing Sustainability in Regional Transportation Projects
Friday, November 3 @ 9 a.m. Heber	Joint Legislative Committee on Climate Change Policies and Natural Resources	Air Quality in the Border Region

* Sacramento, unless otherwise noted

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

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REPORTS
Communication Only

Fallbrook Harvest Faire to be held downtown Oct. 15

FALLBROOK – The annual Fallbrook Harvest Faire, a fun family event held downtown on Main Avenue, will take place Sunday, Oct. 15 from 10 a.m. to 4 p.m.

Presented by the Fallbrook Chamber of Commerce, the Harvest Faire is an Autumn-themed event that features handmade crafts, local foods and treats, a petting zoo, pony rides, pumpkin decorating and carving contests, a pie baking contest, and scarecrows on display.

There will be live music in the Village Square as well as wine and beer. The entertainment lineup features Tralain Roslyn, Jonh Rankin, Joe Gillaspie and The Tones. Wines from Beach House Winery, Fallbrook Winery, Casa Tiene Vista Vineyard, Vineyard 1924 and Toasted Oak Winery will

be poured, as well as beer from Fallbrook Brewing Co.

Pacific Animal Productions, which educates people all over California with its animals, is providing the petting zoo. There will also be a hay maze sponsored by Beebe Farms and Munitions.

The Fallbrook Regional Health District, Fallbrook Family Health Center and the County of San Diego Public Health Nurses will participate in the Faire by providing free health screenings and flu shots from 10 a.m. to 1 p.m.

Vintage cars will be on display, and a pie eating contest will be held at 2 p.m. at the intersection of Main Avenue and Alvarado Street.

For more information, call (760) 728-5845 or visit fallbrookchamberofcommerce.org.

LOCAL

Stay healthy and have some fun!
Sunday, October 15, 2017
FREE
Vaccines & Health Screenings

Join in the family fun at the
Harvest Faire

on Sunday, October 15th and protect your family from the flu at the same time. Come to our booths on E. Hawthorne St. at Main 10:00 a.m.—1:00 p.m. Children and adults can get a flu shot, have basic health screenings and then enjoy the vendors with arts and crafts.

Prevent the Preventable



Flu Shots available for 6-months and older
Blood Glucose Screening for everyone
Blood Pressure Screening for everyone

Shots given by Public Health Nurses and provided by the S.D. County Public Health Department. Health screenings provided by the Fallbrook Family Health Center.






¡Hay que divertirnos y mantenernos sanos!
domingo 15 de octubre, 2017
Vacunas y Servicios de la Salud
GRATIS

Participe y diviértase con su familia
en la Feria de la Cosecha!

y protéjalos contra la temporada de la gripe. domingo 15 de octubre en Hawthorne St. de 10:00am-1:00pm.



Vacuna contra la influenza (gripe)—para todos mayores de 6 meses
Chequeo de glucosa (azúcar)—para adultos mayores de 18 años
Chequeo de presión arterial—para adultos mayores de 18 años

Las vacunas son proveídas por el Departamento de la Salud Pública del Condado de San Diego y serán administradas por enfermeras de salud pública. Los chequeos de la salud serán proveídos por la clínica de Fallbrook.






FRHD receives Presidents Special Acknowledgement Award

FALLBROOK – The Fallbrook Regional Health District recently received the President’s Special Acknowledgement Award from the Special District Risk Management Authority to formally acknowledge the dedicated efforts of the FRHD’s governing body, management and staff towards proactive risk management and loss prevention training.

The award is to recognize members with no “paid” claims during the prior five consecutive program years in SDRMA’s Property/Liability Program. It is through the efforts of members such as FRHD that SDRMA has been able to continue

providing affordable property/liability coverage to over 500 public agencies throughout California.

In addition to this recognition, members with no “paid” claims during 2016-2017 earned Credit Incentive Points (CIPS) reducing their annual contribution amount and members with no “paid” claims for the prior five consecutive program years earned additional bonus CIPS.

SDRMA is a public agency formed under California Government Code Section 6500 et seq. and has provided a full-service risk management program for California’s local governments for over 30 years.

Fallbrook & Bonsall VILLAGE NEWS

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

October 12, 2017

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Volume 21, Issue 40

Fallbrook Chamber partners with Live Well San Diego



From left, Carey Riccitelli of Live Well San Diego and District 5 Supervisor Bill Horn present a San Diego County proclamation certificate honoring the Fallbrook Chamber of Commerce to chamber CEO Lila MacDonald, Sept. 20. Shane Gibson photo

Lucette Moramarco
Staff Writer

The Fallbrook Chamber of Commerce has officially partnered with the County of San Diego's Live Well San Diego initiative, making a commitment to help area residents to build better health, live safely and thrive with a better quality of life.

The chamber joined the San Diego Padres as the newest two of 317 partners in the program. That commitment was recognized by Supervisor Bill Horn at the State of the Chamber dinner Sept. 20.

Chamber CEO Lila MacDonald recently explained that the chamber's commitment can take many forms, including advocacy for affordable housing, working with the Fallbrook Regional Health

District on creating safe routes to the schools, and promoting parent education through the schools.

MacDonald said that she has been looking to partner with Live Well San Diego since she started working at the chamber four years ago. The chamber has already been building connections with local nonprofits and businesses to figure out what services are needed for the elderly in this community, she said.

MacDonald sees the chamber as a resource, "bringing people together, building better health and safety", and pointing them in the right direction when they need help.

According to MacDonald, Fallbrook has over 500 businesses that she would like to see participate in the Living Well vision. The chamber is also partnering with

nonprofits like the Fallbrook Land Conservancy for some of its events.

Another example of collaboration is the chamber including the health district in its upcoming Harvest Faire, Sunday, Oct. 15, 10 a.m. to 4 p.m., where flu shots will be given free to whoever needs one. The event happens on Main Avenue downtown.

MacDonald is also planning on having the chamber "work with partners outside of our area in North County".

Supervisor Horn thanked MacDonald for her leadership in his speech at the chamber dinner. He also said, "The chamber has helped shape the community," as he proclaimed it Fallbrook Chamber of Commerce Live Well San Diego Day.

HEALTH

Board adopts new three-year Mental Health Services Plan

Gig Conaughton
County of San Diego
Communications Office

The San Diego County Board of Supervisors unanimously approved the County's new three-year Mental Health Services Plan Oct. 11 that increases spending, improves current mental health programs and adds new ones to help children, seniors, homeless and others who may suffer from mental illnesses or disorders.

The approved plan proposes to spend \$197.5 million, a \$15 million increase, in the 2017-18 fiscal year that runs from July 1 through June 30. The three-year plan runs from fiscal year 2017-18 through fiscal year 2019-20.

Among other actions, the new plan, which was created with broad community input, will improve several existing County mental health programs by:

Adding 10 new Psychiatric

Emergency Response Teams (PERT) to the County's system to improve crisis response, bringing its total to 50. The program teams up licensed behavioral health clinicians with specially-trained sheriff's deputies or police officers to respond to and help resolve law enforcement calls that involve people with serious mental health issues.

Providing treatment services and housing as part of Project One for All, a program the County created in January 2016 to help people experiencing homelessness and mental health issues by providing housing and intensive "wraparound" support. Wraparound refers to services where different support groups team up to provide seamless support: mental health, substance abuse, social services and access to medical care.

Expanding the Children's Emergency Screening Unit

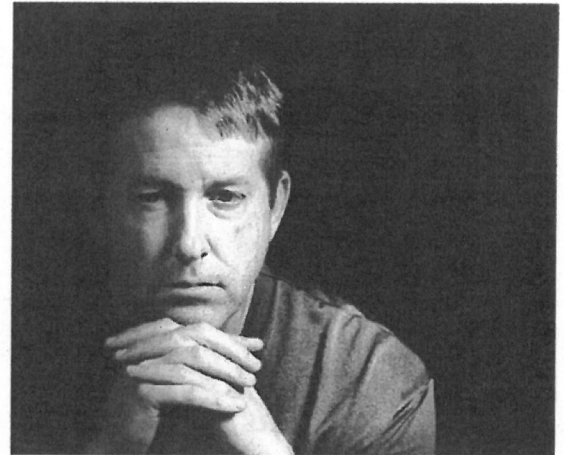
program and adding to the Short-term Acute Residential Treatment (START) programs by providing 24-hour nursing staff at various locations.

Fully funding two North County Crisis Stabilization Services programs.

Enhancing Institutional Case Management program to help older adults suffering from serious mental illnesses re-integrate into the community.

The plan will also fund innovative programs. Some include Peripartum, which teams up County behavioral health with public health nurses to identify new parents who may be at risk of depression or anxiety and finds them help; and expanding the CREST Mobile Hoarding Program, which provides treatment for older adults with extreme hoarding behaviors stay in their homes rather than face evictions.

Some of the new programs include: services to support individuals with serious mental illnesses and co-occurring disorders transitioning from the justice



system back into the community; a full range of mental health treatment services for LGBTQ youth, including support groups and mentorship programs for youth, family members, caregivers and partners; and therapeutic services for commercially sexually exploited youth, including survivor

advocacy, drop-in centers and alumni mentorship programs for youth who have been, or are, at risk.

County Health and Human Services Agency staff said Tuesday that the plan's goals were to address treatment for homeless persons; help law enforcement connect people with mental health issues to clinicians and services; provide more wrap-around services; and to strive to cut suicides to zero.

The Mental Health Services Program is funded by Proposition 63, the Mental Health Services Act that California voters approved in 2004. The act imposes a 1 percent tax on California residents who make \$1 million or more, to help pay for mental health programs.

For more information about the County's behavioral health program, go to www.sandiegocounty.gov/content/sdc/hhsa/programs/bhs.html



Thursday, November 2, 2017
Fallbrook Library
124 S. Mission Rd.
6:00 p.m. – Social & Refreshments

Sponsored by
Fallbrook Regional
HEALTH  DISTRICT

Featured Presentation:

“Thriving through the Holidays”

Even in the best of times the holiday season can be stressful. Let’s learn from the experts how to thrive during this busy time and enjoy this beautiful season.

Presenter:

Mental Health Systems

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
Or call 760-731-9187**

Please bring non-perishable food items for Fallbrook Food Pantry

JOB ANNOUNCEMENT

COMMUNITY HEALTH COORDINATOR

Position Summary- Part Time

The community health coordinator will facilitate and coordinate their efforts with the North County Communities Collaborative Health Initiative members by providing outreach and health education. This position offers a team approach with community-based agencies with the purpose of making critical linkages to health information and services. Health educators will be responsible for working in a team to design, develop, analyze and evaluate a project.

Goals and Scope of Work

1. Develop curriculum for community education
2. Offer in-service education for staff and health professionals
3. Work with community organizations to promote health programs
4. Collaborate with community partners including schools, nonprofits, social service agencies and businesses in community health assessments
5. Conduct health improvement planning and implementation
6. Write articles, brochures, fact sheets, and public service announcements.
7. Research and develop population interventions such as policy, systems, and environmental change focused on physical activity, nutrition, access to care, tobacco use prevention, agricultural workers, community wellness and adolescent health programs.

Duties and Responsibilities

1. Attend community events such as health fairs and community forums.
2. Participate in health outreach activities.
3. Participate in prevention activities related to health.
4. Participate in grant goals and objectives.

Qualifications

1. Motivated to work in a team environment.
2. Motivated to contribute efforts for a group projects.
3. Able and willing to learn about health prevention strategies.
4. Want to have FUN!

A Masters in Public Health, Master of Social Work or Master in Public Administration desired.

All Proposals should be submitted to
Bobbi Palmer, MBA, MSW, bpalmer@fallbrookhealth.org
Proposals may also be submitted via e-mail to:
lbannerman@fallbrookhealth.org and pknox@fallbrookhealth.org

138 S. Brandon Rd, Fallbrook, CA 92028
www.fallbrookhealth.org

BUSINESS

Fallbrook Regional HEALTH DISTRICT

JOB ANNOUNCEMENT COMMUNITY HEALTH COORDINATOR

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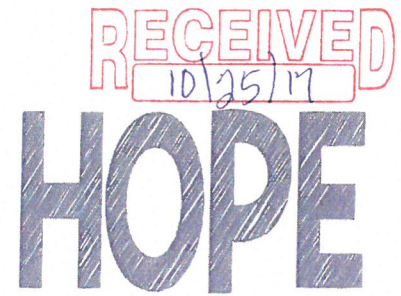
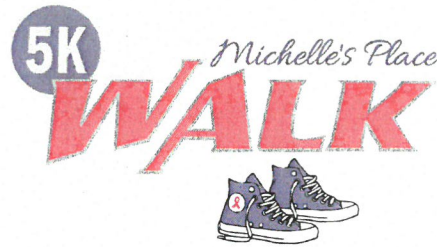
Valley News

Valley Business Journal

Neighbors Newspaper

Fallbrook Regional Health

District



Michelle's Place Breast Cancer Resource Center
27645 Jefferson Ave #117 | Temecula, CA 92590
951-699-5455 | www.michellesplace.org

October 9, 2017

Dear Walk of Hope Sponsor,

Thank you for sponsoring the inaugural Michelle's Place 5K Walk of Hope! We heard nothing but great things from all who attended. We appreciate all the support we received at the event and the weeks leading up to it!

With your participation, we had over 700 walkers registered, over 75 volunteers, and 22 generous sponsors supporting our mission! Michelle's Place is the only breast cancer support center in the Southwest Riverside County region and has been serving individuals and their families in our community for over 16 years. We are now providing over 12,500 services a year and these funds raised will help Michelle's Place continue to provide all services FREE to our community. These services include wigs, bras, prosthesis, yoga, Reiki, educational seminars, financial assistance, support groups and more! We greatly appreciate your support at the Walk and your support of our mission!

From all the members of the Watson family, Michelle's Place staff, and Executive Board, we extend a sincere thank you. Thanks to you we are able to continue to honor Michelle's vision every day at Michelle's Place.

Thank you again for your sponsorship and helping us provide the necessary resources to women and their families dealing with breast cancer in our community. We look forward to our 2nd Annual 5K Walk of Hope on September 23, 2018 and hope you will join us as a sponsor again next year.

Best Regards

Kim Gerrish, CFRE
Executive Director

REQUEST FOR PROPOSAL URGENT CARE SERVICES

Fallbrook Regional Health District is requesting proposals from medical providers within and adjacent to the communities it serves, regarding the provision of extended hours Urgent Care services the greater Fallbrook Community.

Therefore, the Board is interested in receiving proposals from both current and prospective providers of Urgent Care services. The proposal shall contemplate providing Urgent Care services from 8am to 10 pm weekdays and 8 hours on weekends and holidays.

CONTENT

The Proposal should address all of the following elements:

- A. Introductory materials identifying the entity, its tenure and experience within the community, the range of services which it currently offers, including any affiliations with similar medical facilities outside of Fallbrook, Bonsall, Rainbow, and southern DeLuz;
- B. A brief narrative discussing the proposing entity's assessment of the community's need (and the proponent's vision) for the providing of Urgent Care services on an extended hours basis;
- C. The lead time that proposing entity would need to bring such services on line, if a new service or facility, and detailed costs associated with start up as well as the ongoing provision of extended hours coverage;
- D. For proposing entities with existing medical practices in the community, a discussion of how urgent care services would be integrated into the existing service, with a view toward compliance with ethical rules and statutes governing conflicts and referrals.
- E. What extended hours can you provide Urgent Services without financial support from the District?
- F. What total hours can you provide Urgent Services without financial help from the District for extended hours beyond this up to 8:00am to 10:00pm weekdays, weekends and holidays.
- G. Discussion of care to be provided for Medi-Cal patients, including a definitive statement of the proposing entity's intentions regarding acceptance of Medi-Cal patients.
- H. An overview of your anticipated marketing efforts to notify local residents of the extension of operating hours.
- I. Any specific additional information the entity wished to present to demonstrate commitment and quality service to the community;

SELECTION CRITERIA

All proposals received will be evaluated based upon:

1. The submitting entity's demonstrated record of success and experience providing medical/urgent care services to the community;
2. The qualifications and experience of the key personnel for submitting entity;
3. The submitting entity's willingness to commit to providing services on an indefinite basis beyond the defined period of temporary support;
4. The District Board may wish to conduct interviews with submitting entities as part of its review process.

ABOUT THE DISTRICT

Fallbrook Regional Health District was formed in 1950 as a hospital district, and was charged with the construction and operation of Fallbrook Hospital. The District provides services to an area of approximately 110 Square miles consisting of the unincorporated communities of Fallbrook, Bonsall, Rainbow, and the southern portion of DeLuz, a community of nearly 57,000 residents.

In November, 1998, the District Board, with voter approval, signed a 30-year lease agreement with Community Health Systems, Inc., to operate Fallbrook Hospital. Shortly thereafter, the District reorganized as a "Healthcare District" to reflect the changing reality of its mission and essential functions. Following several years of declining performance and increased competition from more modern facilities, the long term lease came to a premature end in July, 2015, and the Hospital was closed at that time.

Despite the closure of the Hospital, the District is and has remained committed to promoting the health of the people of the District and enhancing access to sustainable, quality healthcare services.

DUE DATE

All Proposals should be submitted to the District no later than 5pm on Friday, November 30, 2017.

Bobbi Palmer, MBA, MSW, Executive Director Fallbrook Regional Health District,
bpalmer@fallbrookhealth.org, 138 S. Brandon Road, Fallbrook, CA 92028

Proposals may also be submitted via e-mail or digital media to: lbannerman@fallbrookhealth.org
and pknox@fallbrookhealth.org

138 S. Brandon Rd, Fallbrook, CA 92028

www.fallbrookhealth.org

Feria de Salud De la Mujer

18 de noviembre de 2017
9:00 am - 2:00 pm

Mamografías
¡GRATIS!
Proveidas por:



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Breast Cancer Resource Center MEDICAL IMAGING

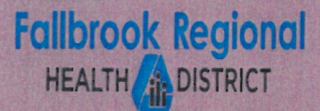


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Fallbrook Family Health Center
"Donde el cuidado y la calidad se reúnen para un ser saludable"
1328 South Mission Road Fallbrook, CA 92028



Para más información llame o mande un texto:

Mireya Banuelos
(760) 525-7792

Women's Wellness Health Fair

November 18th, 2017

9:00 am - 2:00 pm

FREE
Mammograms!

Provided by:



Michelle's
Place
Breast Cancer Resource Center



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Join us for a day filled with:

Community Resources • Raffles • Snacks & Refreshments

Activities for Children • Health Screenings



Fallbrook Family Health Center

"Where caring & quality meet for a healthier you"

1328 South Mission Road Fallbrook, CA 92028

Fallbrook Regional
HEALTH DISTRICT

For more information call or text:

Mireya Banuelos
(760) 525-7792



Community Health Together

Fallbrook Regional Health District Addressing Britannia Connection

Health District, Crestwood Behavioral Health Inc. Discussing New Fallbrook Health Center

FALLBROOK, Calif. (Oct. 16, 2017) ---- The Britannia Connection women’s luncheon welcomes the [Fallbrook Regional Health District](#) (FRHD) and Crestwood Behavioral Health Inc. to discuss the Fallbrook Healing Center soon to occupy the recently-sold Fallbrook Hospital.

The Britannia Connection hosts the meeting at 11 a.m. at The Golf Club of California, 3742 Flowerwood Lane in Fallbrook. The lunch cost is \$23. Contact Rosemary Sterling at (760) 451-9986. The lunch program will be led by FRHD Executive Director Bobbi Palmer, MBA, MSW, and Crestwood Behavioral Health Inc. Executive Vice President Patty Blum, Ph.D.

The 100-bed Fallbrook Health Center will bring 108 full-time permanent positions and another 10 part-time positions in addition to the immediate construction jobs. Crestwood has committed at least \$2 million for the renovation project, though company representatives said it could cost the company up to \$4 million.

The project plans to break ground in the coming months and open in 2018.

“We’re delighted by the opportunity provided by The Britannia Connection to discuss the many benefits of the new Fallbrook Healing Center, which we’re excited to get underway,” Palmer said. “In addition to serving crucial health needs, the facility will provide temporary construction jobs as well professional health care career positions to serve the center. It’s a win for our entire community.”

Escrow officially closed on September 29. The health district board voted unanimously on May 10 to sell the vacant hospital building at 624 East Elder to Crestwood and ratified the sale at a special meeting on July 28 with an intended close of escrow on July 31. However, the health district was notified by the County of San Diego that the property required resolution of a lot line adjustment and a 1989 lien agreement before close of escrow.

The sale of the former hospital followed several regular and special board meetings where more than 300 residents shared feedback with the district board on the sale of the public property. The 50-year-old Fallbrook Hospital closed in November 2014 after soliciting proposals from more than 10 health systems in the region. Several more proposals and offers fell through in the years following as the Fallbrook Regional Health District spent about \$200,000 a year on basic maintenance and security of the building.

The Fallbrook Hospital was last managed under a 30-year lease agreement by Tennessee-based Community Health Systems. The company closed the hospital’s labor and delivery department in September 2014 and announced it planned to shutter emergency and intensive care departments in November of that year. CHS reported to shareholders it lost nearly \$6 million operating Fallbrook Hospital in 2013 alone.

Fallbrook’s situation is not unique. Since 2010, a [report](#) found that at least 82 rural hospitals have closed across the country with another 700 at risk of closure.

The voter-approved special district collects roughly \$1.6 million annually to cover health care provider shortages, uninsured Californians, patients with low or fixed incomes, and underserved populations. Since 2000, the district community health contracts have support about 300 health programs offering no-cost services for the North San Diego County unincorporated communities of Bonsall, Del Luz, Fallbrook and Rainbow. In the last five years, the District granted more than \$3.5 million in health services benefiting the public.

###

ABOUT Fallbrook Regional Health District

Fallbrook Regional Health District is a special district covering affordable community health needs for the low- and fixed-income residents of Bonsall, De Luz, Fallbrook and Rainbow. The roughly \$1.6 million collected in voter-approved taxes supports more than \$850,000 annually in full spectrum community health services addressing top health disparities, including behavioral health, cancer, diabetes, heart disease and stroke. Learn more about community health services provided by the district at www.fallbrookhealth.org.

Contact:

Erica Holloway

Galvanized Strategies, on behalf of Fallbrook Healthcare District

(619) 796-1651

Erica@galvanizedstrategies.com

ABOUT Crestwood Behavioral Health, Inc.

Crestwood Behavioral Health Inc. is proud to be California's leading provider of mental health services, assisting thousands of clients from across the state. Our focus is on creating strong relationships with counties in which we both have a financial commitment, providing the services which are tailored to meet our clients' specific needs, and reinforcing a common set of values that guide our practices and policies. Learn more at www.crestwoodbehavioralhealth.com.

Contact:

Larry Kamer

Kamer Consulting Group, on behalf of Crestwood Behavioral Health, Inc.

(415) 290-7240

lkamer@kamergroup.com



Special Olympics Southern California San Diego County

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Congratulations!

DISCUSSION/ACTION ITEMS

DISCUSSION/ACTION ITEMS

FY 2016-2017 Independent Auditor's Report

Fechter & Company Certified Public Accountants

**FALLBROOK REGIONAL
HEATH DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2017**

FALLBROOK REGIONAL HEALTH DISTRICT

Financial Statements
For the Year Ended June 30, 2017

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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, 2017, 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, 2017, 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
October 11, 2017

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

The Fallbrook Regional Health District (District) has issued its financial statements for the fiscal year ended June 30, 2017 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 2017 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, 2017

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 2017 and 2016.

TABLE A

	2017	2016	Change
Assets:			
Cash and investments	\$ 6,789,887	\$ 6,319,945	\$ 469,942
All other assets	5,072,913	5,208,356	(135,443)
Total Assets	<u>11,862,800</u>	<u>11,528,301</u>	<u>334,499</u>
Liabilities:			
Current liabilities	94,177	59,142	(35,035)
Long-term liabilities	20,687	4,457	(16,230)
Total Liabilities	<u>114,864</u>	<u>63,599</u>	<u>(51,265)</u>
Net Position:			
Net investment in capital assets	292,910	291,601	1,309
Unrestricted	11,455,026	11,173,101	281,925
Total Net Position	<u>\$ 11,747,936</u>	<u>\$ 11,464,702</u>	<u>\$ 283,234</u>

The \$283,234 increase 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:

- *Grant Program* – The District administers a grant 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 Health Fair* – The purpose of the Fair is to provide health screenings and access to information to residents that are readily accessible in the District for the entire community.
- *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, 2017

Table B, below, is a condensed version of the Income Statement; it summarizes the District's revenue and expenses, and compares Fiscal Year 2017 results to Fiscal Year 2016.

TABLE B

	2017	2016	Change
Revenues:			
Property tax revenue	\$ 1,793,446	\$ 1,693,339	\$ 100,107
Total Revenues	<u>1,793,446</u>	<u>1,693,339</u>	<u>100,107</u>
Expenses:			
Community healthcare programs	708,686	643,231	(65,455)
Direct care services	99,000	294,000	195,000
Administrative services	360,580	339,490	(21,090)
Salaries and benefits	273,976	249,556	(24,420)
Management and maintenance	279,284	303,453	24,169
Depreciation	564	1,661	1,097
Total Expenses	<u>1,722,090</u>	<u>1,831,391</u>	<u>109,301</u>
Operating Income	<u>71,356</u>	<u>(138,052)</u>	<u>209,408</u>
Non-Operating Income (Expenses):			
Other income	211,878	364,362	(152,484)
Other expenses	-	-	-
Total Non-Operating Income	<u>211,878</u>	<u>364,362</u>	<u>(152,484)</u>
Change in Net Position	<u>\$ 283,234</u>	<u>\$ 226,310</u>	<u>\$ 56,924</u>

Property taxes drive the District's operations and are its primary source of revenues. The increase of \$100,107 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 \$152,484 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 decreased in this fiscal year, with a drop of \$195,000 over the previous year.

The Grant Allocation increased by \$65,455 because the amounts requested and provided through the grant process varies from year to year.

Salaries and benefits increased by \$26,060 due to the change of staff, including a new Executive Director, as the District's role and responsibilities in the community have changed.

Administrative services reflect an overall increase of \$21,090. There was a decrease to general counsel in the amount of \$43,348. Independent contract services increased by \$22,923, due to a

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

change in accounting assistance. Consulting fees increased by \$30,961, due to community engagement services. The amount charged for California mandated reimbursement was reduced by \$13,445. Stipends were reduced by \$4,600, and I.T. and web services reduced by \$7,688, and office expense was reduced by \$5,893.

Direct Care Services, which was the agreement to assist the A+ Urgent Care facility for a period of time, in order to provide the Community with a medical facility to partially replace the hospital services, was in the amount of \$99,000.

CAPITAL ASSETS

At June 30, 2017, 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, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, depreciable:				
Buildings and improvements	\$ 291,240	\$ -	\$ -	\$ 291,240
Furniture and fixtures	2,375	-	-	2,375
Equipment	17,148	126	-	17,274
Subtotal	<u>310,763</u>	<u>126</u>	<u>-</u>	<u>310,889</u>
Accumulated depreciation	<u>(19,162)</u>	<u>(1,660)</u>	<u>-</u>	<u>(20,822)</u>
Capital Assets, Net	<u>\$ 291,601</u>	<u>\$ (1,534)</u>	<u>\$ -</u>	<u>\$ 290,067</u>

DEBT ADMINISTRATION

The District has no debt.

ECONOMIC OUTLOOK

The Fiscal Year 2016/2017 budget reflects a minimal increase in revenues, as property values/taxes are not anticipated to change much. Interest income is projected to increase, as funds have been received through the sale of the hospital building. Overhead is expected to remain about the same in the coming fiscal year. Capital expenditures are budgeted at \$0.

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

MAJOR INITIATIVES

COMMUNITY HEALTHCARE PROGRAMS 2016-2017

Throughout fiscal year 2016-2017, the District sponsored and/or collaborated with local agencies and providers to identify, develop, support and/or deliver no-cost programs for prevention, education, treatment or services for the health and well-being of the residents of the community. Highlights of the Community Healthcare Programs were:

- The Community Collaborative Committee met each month for networking, identifying, assessing healthcare concerns and issues, and gaining information and resources to facilitate access to healthcare, and health promoting programs and services.
- Programs and events co-sponsored by the District also included the annual Prostate Screening (PSA) event, the Woman of Wellness, "WOW" educational monthly meeting program, and the annual Health and Fitness Fair.

2016-2017 Grant Program

The biggest Community Healthcare Program undertaken each year by FHD is the Grant Program. Only qualified, nonprofit, 501(c)(3), agencies may apply. Those who are awarded funding must meet strict criteria and provide comprehensive financial and service reports periodically throughout the grant year.

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

- Amount requested: \$809,069
- Amount funded: \$708,686
- Twenty-one grants awarded:
 - 7 Youth programs
 - 4 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 address social and emotional needs of students with Asperger's Syndrome through a designated staff and center.
- 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.

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

- 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 appointments, physical therapy, grocery stores and pharmacies which assists also in maintain 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.
- Volunteers dispatched through the 911 system at request of emergency responders.

ALL AGES

- Funding to increase access to psychiatric care for persons afflicted with biological brain disorders, behavioral/mental conditions that require medication and/or counseling treatment.
- Funding to provide a wide range of primary care, dental care and prevention services to underserved person of the District population.
- 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.

FALLBROOK REGIONAL HEALTH DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2017

- Funding of program to provide emotional and practical support to victims experiencing a trauma and to first responders.

During the fiscal year 2016-2017, the District received a total of \$809,069 in grant requests and approved distribution of \$708,686 to qualified applicants. This brings the total amount granted by the District since June 1999 to \$7,912,234.

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
Website: www.fallbrookhealthcaredistrict.org

FINANCIAL STATEMENTS

**FALLBROOK HEALTHCARE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017**

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 2,542,642
Investments	4,247,245
Reimbursement receivable	-
Taxes receivable	14,050
Interest receivable	7,817
Prepaid expenses	<u>46,776</u>
Total current assets	<u>6,858,530</u>
Non-current assets:	
Assets held for resale (Note 10)	4,711,360
Capital assets, net of accumulated depreciation	<u>292,910</u>
Total non-current assets	<u>5,004,270</u>
TOTAL ASSETS	<u><u>\$ 11,862,800</u></u>

LIABILITIES AND NET POSITION

Current liabilities:	
Accrued liabilities	<u>94,177</u>
Total current liabilities	<u>94,177</u>
Compensated absences	<u>20,687</u>
Total liabilities	114,864
Net Position	
Invested in capital assets, net	292,910
Unrestricted	<u>11,455,026</u>
Total net position	<u>11,747,936</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 11,862,800</u></u>

The accompanying notes are an integral part of these financial statements

FALLBROOK HEALTHCARE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

Operating revenues:	
Property taxes	\$ 1,793,446
	<u>1,793,446</u>
Total operating revenues	<u>1,793,446</u>
Operating expenses:	
Community healthcare programs	708,686
Direct care services	99,000
Administrative services	360,580
Salaries and benefits	273,976
Management and maintenance	279,284
Depreciation	564
	<u>1,722,090</u>
Total operating expenses	<u>1,722,090</u>
Operating income (loss)	<u>71,356</u>
Non-operating revenues and (expenses):	
Interest and investment income	21,248
Lease income	57,600
Gain on disposal of assets	133,030
	<u>211,878</u>
Total non-operating revenues and (expenses)	<u>211,878</u>
Change in net position	283,234
Beginning net position	<u>11,464,702</u>
Ending net position	<u><u>\$ 11,747,936</u></u>

The accompanying notes are an integral part of these financial statements

**FALLBROOK HEALTHCARE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash flows from operating activities:

Cash received from County of San Diego for property taxes	\$ 1,779,396
Cash payments to vendors for goods and services	(709,356)
Cash payments to employees for services	(257,746)
Cash payments to grantees for programs	<u>(705,629)</u>
Net cash provided by operating activities	<u>106,665</u>

Cash flows from capital and related financing activities:

Proceeds from lease of property	<u>57,600</u>
Net cash provided by (used in) capital and related financing activities	<u>57,600</u>

Cash flows from capital and related financing activities:

Post-lease termination settlement activities (Note 10)	<u>291,012</u>
Net cash provided by (used in) capital and related financing activities	348,612

Cash flows from investing activities:

Fixed asset additions	(4,472)
Interest revenue	<u>10,042</u>
Net cash provided by investing activities	<u>5,570</u>

Net increase (decrease) in cash and cash equivalents	460,847
Cash and cash equivalents, beginning of year	<u>2,081,795</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,542,642</u></u>

Reconciliation of operating income (loss) to net cash provided by (used) by operating activities:

Operating income	\$ 71,356
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	564
Changes in operating assets and liabilities:	
Tax receivable	(14,050)
Prepaid items and deposits	(2,470)
Accrued liabilities	35,035
Compensated absence	<u>16,230</u>
Net cash provided (used) by operating activities	<u><u>\$ 106,665</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, 2017

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, 2017

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, 2017

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, 2017, the balance of assets held for resale was \$4,711,360.

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, 2017, compensated absences balance was \$22,327.

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, 2016, the District had no restricted component of net position.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

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, 2017

Note 3: Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2017:

	<u>Amount</u>
Cash and Cash Equivalents:	
Bank deposits	\$ 1,094,155
LAIF	1,448,487
Total Cash and Cash Equivalents	<u>\$ 2,542,642</u>

A. Cash Deposits

The carrying amount of the District's cash deposits was \$1,094,155 as of June 30, 2016. Bank balances before reconciling items were \$1,096,751 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, 2017, 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, 2017, the District had \$1,448,487 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, 2017

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, 2017:

	<u>Credit Rating</u>	<u>Amount</u>
Investments:		
CalTrust	Not Rated	\$ 4,247,245
Total Investments		<u>\$ 4,247,245</u>

Investments held by the District, grouped by maturity date at June 30, 2017, were as follows:

	<u>Amount</u>
Investments:	
CalTrust	\$ 4,247,245
Total Investments	<u>\$ 4,247,245</u>

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

Note 5: **Capital Assets**

Capital assets activities for the year ended June 30, 2016, are as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, depreciable:				
Buildings and improvements	\$ 291,240	\$ -	\$ -	\$ 291,240
Furniture and fixtures	2,375	-	-	2,375
Equipment	17,148	126	-	17,274
Subtotal	<u>310,763</u>	<u>126</u>	<u>-</u>	<u>310,889</u>
Accumulated depreciation	<u>(19,162)</u>	<u>(1,660)</u>	<u>-</u>	<u>(20,822)</u>
Capital Assets, Net	<u>\$ 291,601</u>	<u>\$ (1,534)</u>	<u>\$ -</u>	<u>\$ 290,067</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, 2017

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, 2017, 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, 2016, 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.

FALLBROOK REGIONAL HEALTH DISTRICT

Notes to the Financial Statements
For the Year Ended June 30, 2017

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

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 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, 2016, 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, 2017

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

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

* 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.

Note 11: **Subsequent Events**

Subsequent events have been evaluated through October 11, 2017. 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.

**FALLBROOK REGIONAL
HEALTH DISTRICT**

MANAGEMENT REPORT

FOR THE YEAR ENDED JUNE 30, 2017

FALLBROOK REGIONAL HEALTH DISTRICT

Management Report
For the Year Ended June 30, 2017

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Craig R. Fechter, CPA, MST
Scott A. German, CPA

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, 2017, 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

A handwritten signature in black ink that reads 'Fechter & Company, CPAs'. The signature is stylized and cursive.

October 11, 2017
Sacramento, CA

FALLBROOK REGIONAL HEALTH DISTRICT
Management Report
For the Year Ended June 30, 2016

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

As stated in our engagement letter dated June 7, 2017, 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
Management Report
For the Year Ended June 30, 2016

- 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

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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.

DISCUSSION/ACTION ITEMS

LAFCO Recommended Boundary Change

RESOLUTION NO. 787

**RESOLUTION OF APPLICATION TO SAN DIEGO LOCAL AGENCY FORMATION
COMMISSION FROM THE BOARD OF DIRECTORS OF TRI-CITY HEALTHCARE
DISTRICT FOR THE ANNEXATION OF TERRITORY & AMENDMENT OF TRI-
CITY HEALTHCARE DISTRICT'S SPHERE OF INFLUENCE**

WHEREAS, TRI-CITY HEALTHCARE DISTRICT is a California healthcare district duly organized and existing under the laws of the State of California, particularly the Local Health Care District Law, constituting Division 23 of the Health and Safety Code of the State of California, and more particularly, Health and Safety Code §§ 32000 *et seq.*;

WHEREAS, the Board of Directors of the Tri-City Healthcare District desire to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the reorganization of the Tri-City Healthcare District;

WHEREAS, the proposal is made pursuant to Sections 56650, 56700, 56653, and 56654 of the California Government Code for a resolution of application for reorganization; specifically, the annexation of certain territories and for an amendment of Tri-City Healthcare District's sphere of influence;

WHEREAS, the nature of the proposed reorganization includes the following boundary changes:

1. The de-annexation of, generally, the territory in Camp Pendleton that is currently in the Tri-City Healthcare District's boundaries (Camp Pendleton) as described herein and the territory in San Marcos that is currently in the Tri-City Healthcare District's boundaries (San Marcos) as described herein;
2. The annexation of, generally, the remaining territory in the City of Vista that is not currently in the Tri-City Healthcare District's boundaries (Shadowridge) as described herein, the remaining territory in the City of Carlsbad that is not currently in the Tri-City Healthcare District's boundaries (South Carlsbad) as described herein, and the remaining territory in the City of Oceanside that is not currently in the Tri-City Healthcare District's boundaries (Oceanside) as described herein; and
3. Amendment of the Tri-City Healthcare District's sphere of influence to exclude the Camp Pendleton and San Marcos areas and to include the Shadowridge, South Carlsbad, and Oceanside areas;

WHEREAS, a description of the boundaries of the affected territory of Camp Pendleton, and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit "A"** ("Camp Pendleton");

WHEREAS, a description of the boundaries of the affected territory of Shadowridge, and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit “B”** (“Shadowridge”);

WHEREAS, a description of the boundaries of the affected territory South Carlsbad and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit “C”** (“South Carlsbad”);

WHEREAS, a description of the boundaries of the affected territory Oceanside and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit “D”** (“Oceanside”);

WHEREAS, a description of the boundaries of the affected territory San Marcos and a map showing the boundaries of the affected territory, are attached to this Resolution as **Exhibit “E”** (“San Marcos”);

WHEREAS, Tri-City acknowledges that it has no Master Property Exchange Agreement with the County of San Diego, and therefore, there shall be no reallocation of property tax revenue between San Diego County and Tri-City Healthcare District under Revenue and Taxation Code § 99;

WHEREAS, in accordance with Government Code section 56653, Tri-City Healthcare District hereby submits the following plan for providing services and reasons for this proposal:

1. The Camp Pendleton area has been included in Tri-City Healthcare District’s sphere of influence to be coterminous with the Oceanside Unified School District boundary, which extends into Camp Pendleton because the School District operates three schools in the Camp Pendleton area. Tri-City Healthcare District, unlike the Oceanside Unified School District, does not currently operate facilities or provide healthcare programs within the Camp Pendleton area.
2. The San Marcos area consists of a small portion of the City of San Marcos. As the majority of the City of San Marcos is currently located within the Palomar Healthcare District service area and sphere, the San Marcos area should be de-annexed from the Tri-City Healthcare District and consolidated within the Palomar Healthcare District in accordance with the principal act, specifically, Health and Safety Code § 32001, which specifically states that the territory of a municipal corporation shall not be divided.
3. The 2015 San Diego County Health Care Services and Sphere Review (“2015 Study”) recommended Tri-City Healthcare District consider annexation of the Shadowridge area. The Shadowridge area consists of approximately 2,500-acres that is primarily located with the City of Vista’s incorporated territory. The Shadowridge area is not presently served by any healthcare district service area, but is surrounded by Tri-City Healthcare District and Palomar Healthcare District service areas and spheres.

4. As the majority of the City of Vista is currently located within the Tri-City Healthcare District service area and sphere, the 2015 Study recommended the Shadowridge area should be consolidated within Tri-City Healthcare District in accordance with the principal act, specifically, Health and Safety Code § 32001, which specifically states that the territory of a municipal corporation shall not be divided.
5. The 2015 Study also identified and recommended Tri-City Healthcare District consider annexation of a southern portion of Carlsbad's incorporated territory. This South Carlsbad area consists of approximately 5,600 acres entirely located within Carlsbad. Like Shadowridge, this area is not currently served by any healthcare district service area. The Tri-City Healthcare District service area and sphere includes the majority of the City of Carlsbad's incorporated territory. Accordingly, the 2015 Study concluded that Tri-City Healthcare District should consider annexation of this South Carlsbad area and evaluate whether inclusion of this area would benefit Tri-City Healthcare District and the South Carlsbad area in accordance with the principal act, specifically, Health and Safety Code § 32001, which specifically states that the territory of a municipal corporation shall not be divided.
6. The 2015 Study also identified and recommended Tri-City Healthcare District consider annexation of a small portion of the City of Oceanside's incorporated territory. This area is currently served by the Fallbrook Healthcare District service area. The Tri-City Healthcare District service area and sphere includes the majority of the City of Oceanside's incorporated territory. Accordingly, the 2015 Study concluded that Tri-City Healthcare District should consider annexation of this Oceanside area in accordance with the principal act, specifically, Health and Safety Code § 32001, which specifically states that the territory of a municipal corporation shall not be divided.
7. Tri-City Healthcare District having completed evaluations of the Shadowridge and South Carlsbad areas has determined that their annexation, as well as the annexation of the Oceanside area, into Tri-City Healthcare District would benefit the citizens of these areas, as well as Tri-City Healthcare District, in several ways.
 - a. Incorporating these areas into Tri-City Healthcare District will allow Tri-City Healthcare District to open, market, and expand special operations, host health awareness events, participate in community outreach, and open much needed primary care and specialty care clinics and offices, activities which are currently limited to the physical district boundaries.
 - b. There will be a better accounting of the unique needs of the proposed areas to be annexed. Tri-City Healthcare District is required to submit a significant amount of data to the Office of Statewide Health Planning and Development, and the Department of Healthcare Services. Such reporting

is done annually and is disclosed online. Tri-City Healthcare District also provides standardized reports to the Centers for Medicare & Medicaid Services. In California, since the late 1990s, nonprofit hospitals have been subject to requirements to assess community health needs, and must then respond to those needs on a regular basis. Following the passage of the Affordable Care Act, nonprofit hospitals were required to assess community needs in a robust and data-driven fashion, and articulate how they planned to use their community benefit programs and funds to respond to those needs. As a result, many District Hospital community benefit programs, like those at Tri-City Healthcare District, have caught up to the rest of health philanthropy in terms of best practices related to disease prevention and addressing social detriments of health (such as disease prevention, healthy lifestyles, education, and behavioral health). Including the residents of Shadowridge and South Carlsbad into these measurements and services will provide meaningful outcome data to enhance their health and wellbeing.

- c. The district will be able to engage members of these local communities to better educate their residents on services the district provides. Tri-City Healthcare District will be better able to inform district residents of its goals and accomplishments, emphasizing its work in areas into which private sector and for-profit healthcare systems are unable or unwilling to venture.

WHEREAS, the person designated as chief petitioner is Steve Dietlin, Chief Executive Officer of Tri-City Healthcare District, 4002 Vista Way, Oceanside, California, 92056;

WHEREAS, Tri-City Healthcare District hereby requests that proceedings be taken for the proposal pursuant to Government Code § 56700;

WHEREAS, the proposed reorganization includes the de-annexation of Camp Pendleton and San Marcos, and the areas of Camp Pendleton and San Marcos are within Tri-City Healthcare District's current sphere of influence;

WHEREAS, the proposed reorganization includes the annexation of Shadowridge, South Carlsbad, and Oceanside, and the areas of Shadowridge, South Carlsbad, and Oceanside are not within Tri-City Healthcare District's current sphere of influence;

WHEREAS, this proposal further requests Tri-City Healthcare District's sphere of influence be amended to exclude the de-annexed areas of Camp Pendleton and San Marcos and include the annexed areas of Shadowridge, South Carlsbad, and Oceanside so as to effectuate the reorganization proposed in this Resolution and its related purposes;

WHEREAS, a map of the boundaries of Tri-City Healthcare District's proposed amended sphere of influence is attached to this Resolution as **Exhibit "F"**;

WHEREAS, the proposed reorganization is exempt from the California Environment Quality Act ("CEQA") under the CEQA Guidelines, Section 15061(b)(3);

NOW, THEREFORE, this Resolution is hereby approved and adopted by the Board of Directors of the Tri-City Healthcare District. The San Diego County Local Agency Formation Commission is hereby requested to take notice of this Resolution and to initiate proceedings for the de-annexation from Tri-City Healthcare District of the two territories described in Exhibits "A" and "E" of this Resolution and the annexations to the Tri-City Healthcare District of the three territories described in Exhibits "B," "C," and "D" of this Resolution, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, and to amend Tri-City Healthcare District's sphere of influence to unincorporated and exclude the territory described in Exhibit "A" and incorporate and include the three territories described in Exhibits "B," "C," and "D" of this Resolution.

The Chief Executive Officer of the Tri-City Healthcare District is hereby directed to pay such fees and provide such further information as may be required to consider these requests.

PASSED, APPROVED, AND ADOPTED this ___th day of August, 2017, at a regular meeting of the Board of Directors of the Tri-City Healthcare District at which a quorum was present and acting throughout, at Oceanside, California, by the following vote:

AYES:

NOES:

ABSTAIN/ABSENT:

By: _____
Chairperson, Board of Directors
Tri-City Healthcare District

ATTEST:

By: _____
Secretary, Board of Directors
Tri-City Healthcare District

Tri-City HD: Potential Boundary Changes

Potential Boundary Changes	
	Potential Boundary Changes
	Tri-City HD
	Fallbrook HD
	Palomar Health HD
	Camp Pendleton HD
	HD Hospitals

SAN DIEGO LAFCO



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