
BOARD OF DIRECTORS MEETING
AGENDA PACKET

APRIL 2024



AGENDA

Board of Directors Meeting

Wednesday, April 17, 2024

8:00 a.m.

UC Riverside

75080 Frank Sinatra Drive

Building B, Room B200

Palm Desert, CA 92211

Hybrid Meeting - In Person and Via Zoom

1. Call to Order
2. Board Member Attendance
3. Approval of March 20, 2023 Minutes
4. Speaker: Byron Bonsall, Director of Business Development, Coachella Valley Behavioral Health
5. Executive Committee Report - Deborah McGarrey
6. 2022-23 Audit Report Approval
7. CEO Report / Business Services Report / Marketing Report - Laura James
8. Board Member Updates/Comments
9. Adjournment

Next Meeting:

Wednesday, May 15, 2024

8:00 a.m.

Location TBD

BOARD OF DIRECTORS ROSTER



Investor Agency/Organization	Representative(s)	Jul 19	Dark	Sep 20	Dark	Nov 15	Dark	Jan 17	Feb 21	Mar 20	Apr 17	May 15	Jun 19
Agua Caliente Band of Cahuilla Indians	Todd Hooks	X		X				X	EXC	X			
Charter Communications/Spectrum	Sandra Cuellar	X		EXC				EXC	EXC	X			
City of Cathedral City	Mark Carnevale/Ernesto Guterrez	X		X				EXC	EXC	X			
City of Indian Wells	Bruce Whitman	X		X				X	X	X			
City of Palm Desert	Gina Nestande/Amy Lawrence	EXC		X				X	X	X			
City of Palm Springs	Grace Garner/Ron de Harte	X		X				X	X	X			
City of Rancho Mirage	Meg Marker/Steve Downs	X		EXC				EXC	EXC	EXC			
College of the Desert	Rodrigo Garcia	X		X				EXC	EXC	EXC			
Eisenhower Medical Center	Ken Wheat	EXC		EXC				EXC	EXC	EXC			
GCVCC	Brandon Marley	EXC		X				X	X	X			
Gulf California Broadcast Co./KESQ	Jerry Upham	X		EXC				X	X	X			
Hunter Johnsen	Chris Hunter	X		X				X	X	X			
LifeStream Blood Bank	Dan Ballister	X		X				EXC	EXC	EXC			
Oliphant Enterprises	Richard Oliphant	EXC		EXC				EXC	EXC	EXC			
Osborne Rincon	Lee Osborne	EXC		EXC				EXC	EXC	EXC			
Pacific Western Bank	Tracy Tremblay	EXC		X				EXC	X	X			
Palm Springs Life	Paulina Larson	EXC		EXC				EXC	EXC	EXC			
Riverside County EDA	Joaquin Tijerina/Bob Wright	X		X				X	X	X			
Southern California Edison	Shane Massoud	EXC		X				EXC	X	X			
Southern California Gas Company	Deborah McGarrey	X		EXC				EXC	X	X			
Sunrise Company	Phil Smith	EXC		EXC				EXC	EXC	EXC			
The Desert Sun LOCALIQ	Tom Niva	X		X				EXC	EXC	X			
University of California, Riverside	Agam Patel	X		EXC				X	X	X			
U.S. Bank	Alan Brimmer	EXC		EXC				EXC	EXC	EXC			
Wells Fargo Bank	Amanda Kramer/Moises Aguirre	EXC		EXC				EXC	EXC	EXC			
<i>Honorary Board Member</i>													
CSUSB	Edna Martinez, Ph.D.	EXC		EXC				EXC	EXC	EXC			

BOARD OF DIRECTORS MEETING
MARCH 20, 2024
8:00 AM
UCR PALM DESERT
75080 FRANK SINATRA DRIVE
PALM DESERT, CA 92211
HYBRID MEETING - IN PERSON AND VIA ZOOM

CALL TO ORDER

The meeting was called to order at 8:05 am by Chair, Deborah McGarrey.

ALSO PRESENT

Joe Wallace
Lesla Bodnar
Laura James
David Robinson
David Powell

WELCOME AND ROLL CALL

Chair Deborah McGarrey welcomed the board, attendance was noted and self-introductions were done.

MINUTES

On a motion by Sandra Cuellar, seconded by Chris Hunter, the minutes of the November 15th, 2023, January 17th, 2024 and the February 21st, 2024 minutes were approved as presented...all in favor.

EXECUTIVE COMMITTEE REPORT

Chair McGarrey provided the board members with a brief update on the recently held Executive Committee meeting. Finances were reviewed and approved for February - all in good order. Chair McGarrey also advised that the committee had reviewed and approved the FY 2023-24 audit. Chair McGarrey also announced that the executive committee has named Laura James as Interim CEO of CVEP. Laura made some brief remarks and is excited to take on this new position.

BUSINESS SERVICES REPORT

Laura James presented her report - a copy is included in the packet. Of note, 11 remote workers attended her February Morning Insights event. Joe Wallace spoke to the development of an AI Cluster in the Coachella Valley.

CEO REPORT

Joe Wallace presented his report - a copy is included in the packet.

BOARD MEMBER UPDATES

Joaquin Tijerina gave an update on county activities. Brandon Marley announced that the GCVCC was awarded a Workforce Development grant from Riverside County in the amount of \$125k. Bruce Whitman noted that attendance was up for the tennis tournament this year and it was a great success. Agam Patel spoke about the Zero to Entrepreneur classes that UCR is holding.

Chair McGarrey asked staff to coordinate a meeting to discuss next steps and leadership continuity. Volunteers for this effort were: Grace Garner, Jerry Upham, Deborah McGarrey and Todd Hooks. Appropriate staff members will also attend.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:45 a.m.

DRAFT

COACHELLA VALLEY
ECONOMIC PARTNERSHIP

PALM SPRINGS, CALIFORNIA

INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS

JUNE 30, 2023

WITH SUMMARIZED COMPARATIVE TOTALS
FOR JUNE 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coachella Valley Economic Partnership
Palm Springs, California

Opinion

We have audited the accompanying financial statements of Coachella Valley Economic Partnership (a California nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coachella Valley Economic Partnership as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coachella Valley Economic Partnership, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 3 to the financial statements, the Organization has suffered recurring losses from operations, indicating a doubt exists about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coachella Valley Economic Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Coachella Valley Economic Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coachella Valley Economic Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the financial statements of Coachella Valley Economic Partnership for the year ended June 30, 2022 in our report dated November 16, 2022, we expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent in all material respects, with the audited financial statement from which it has been derived.

COACHELLA VALLEY ECONOMIC PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

DRAFT

WITH SUMMARIZED COMPARATIVE TOTALS AT JUNE 30, 2022

ASSETS

	<u>2023</u>	<u>2022 (Memorandum Only)</u>
CURRENT ASSETS		
Cash	\$ 305,215	\$ 451,695
Grants and receivables, net	37,743	66,056
Total current assets	342,958	517,751
 PROPERTY AND EQUIPMENT - Net	 71,348	 113,570
 OTHER ASSETS		
Other assets	-	7,078
Total other assets	-	7,078
 TOTAL ASSETS	 \$ 414,306	 \$ 638,399

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities:		
Accounts payable	\$ 48,198	\$ 32,899
Accrued payroll and vacation	70,125	161,818
Deferred revenue	70,000	90,000
Notes payable - current portion	7,432	1,646
Total current liabilities	195,755	286,363
Long-Term Liabilities:		
Notes payable - net of current portion	292,568	298,254
 TOTAL LIABILITIES	 488,323	 584,617
 NET ASSETS		
Without donor restrictions	(74,017)	53,782
 TOTAL NET ASSETS	 (74,017)	 53,782
 TOTAL LIABILITIES AND NET ASSETS	 \$ 414,306	 \$ 638,399

(The accompanying notes are an integral part of these financial statements)

COACHELLA VALLEY ECONOMIC PARTNERSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

DRAFT

WITH SUMMARIZED COMPARATIVE TOTALS AT JUNE 30, 2022

	<u>2023</u>	<u>2022</u> (Memorandum Only)
REVENUES		
Public support	\$ 686,000	\$ 671,000
Private support	68,917	92,500
Healthcare sector support	30,000	25,000
Banking sector support	35,000	30,000
Government grant income	2,000	38,183
Rental income	188,067	195,762
Special events	124,595	72,500
Miscellaneous income	<u>30,632</u>	<u>4,358</u>
Total support	<u>1,165,211</u>	<u>1,129,303</u>
EXPENSES		
Program services	1,085,566	1,084,998
General and administrative	<u>207,444</u>	<u>207,969</u>
Total expenses	<u>1,293,010</u>	<u>1,292,967</u>
DECREASE IN NET ASSETS	<u>(127,799)</u>	<u>(163,664)</u>
NET ASSETS - BEGINNING OF YEAR	<u>53,782</u>	<u>217,446</u>
NET ASSETS - END OF YEAR	<u><u>\$ (74,017)</u></u>	<u><u>\$ 53,782</u></u>

(The accompanying notes are in integral part of these financial statements)

COACHELLA VALLEY ECONOMIC PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

DRAFT

WITH SUMMARIZED COMPARATIVE TOTALS AT JUNE 30, 2022

	IHUB/ Accelerator Campus	CVEP Business Support	Total Program Services	General and Administrative	2023 Total	2022 (Memorandum Only)
Salaries and wages	\$ 173,514	\$ 270,478	\$ 443,992	\$ 66,344	\$ 510,336	\$ 559,675
Payroll taxes	12,588	23,498	36,086	5,874	41,960	38,902
Employee benefits	11,350	17,380	28,730	6,739	35,469	37,127
Advertising and marketing	532	4,784	5,316	-	5,316	4,687
Bad debt	1,991	408	2,399	-	2,399	32,940
Consulting	9,600	-	9,600	2,400	12,000	82,320
Depreciation	40,059	817	40,876	-	40,876	60,604
Dues and subscriptions	6,889	5,041	11,930	4,873	16,803	13,235
Events	-	102,687	102,687	-	102,687	24,537
Insurance	1,535	6,140	7,675	7,675	15,350	19,288
Interest	-	-	-	9,513	9,513	2
Meetings and seminars	6,237	14,552	20,789	-	20,789	9,642
Office expenses	31,557	40,573	72,130	18,033	90,163	36,238
Professional fees	25,862	77,587	103,449	25,862	129,311	127,388
Rent	31,875	63,750	95,625	31,875	127,500	127,500
Repairs and maintenance	-	-	-	20,093	20,093	17,149
Telephone and utilities	96,119	7,824	103,943	7,824	111,767	95,359
Website and computer	-	339	339	339	678	6,374
	<u>\$ 449,708</u>	<u>\$ 635,858</u>	<u>\$ 1,085,566</u>	<u>\$ 207,444</u>	<u>\$ 1,293,010</u>	<u>\$ 1,292,967</u>

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

COACHELLA VALLEY ECONOMIC PARTNERSHIP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

DRAFT

WITH SUMMARIZED COMPARATIVE TOTALS AT JUNE 30, 2022

	2023	2022 (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (127,799)	\$ (163,664)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	40,876	60,604
(Increase) decrease in:		
Grants and receivables	28,313	(10,936)
Other assets	7,078	2,234
Increase (decrease) in:		
Accounts payable	15,299	3,082
Accrued payroll and vacation	(90,247)	3,244
Deferred revenue	(20,000)	(20,000)
NET CASH USED BY OPERATING ACTIVITIES	(146,480)	(125,436)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(3,920)
NET CASH USED BY INVESTING ACTIVITIES	-	(3,920)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on notes payable	-	150,629
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	150,629
NET (DECREASE) INCREASE IN CASH	(146,480)	21,273
CASH AT BEGINNING OF YEAR	451,695	430,422
CASH AT END OF YEAR	\$ 305,215	\$ 451,695
Interest paid	\$ 9,513	\$ 2

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

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COACHELLA VALLEY ECONOMIC PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Coachella Valley Economic Partnership (CVEP), a California nonprofit public benefit corporation (the Organization), is a regional economic development organization that was established in 1994. It is devoted to attracting, retaining, and expanding business while increasing the education levels of the workforce. It is this comprehensive strategy that will raise the overall economy and quality of life in the region. Through a team of donors, community leaders, consultants and staff, CVEP markets, facilitates, and provides economic opportunities for residents and businesses in the Coachella Valley.

CVEP currently is led by a board of successful, high-profile business leaders from a cross section of regional industries, civic leaders of the nine cities in the Coachella Valley and Riverside County, educators, and representatives from the Agua Caliente Band of Cahuilla Indians. This group leads the organization that has become a major economic force. CVEP explores regional issues and strategies related to the area's economy, jobs, workforce training needs, and the relationship between business and education in the Coachella Valley.

In January 2012, CVEP became host to the Coachella Valley Innovation Hub (CViHub), a state designated initiative, CViHub is comprised of the Cities of Palm Springs, Cathedral City, Desert Hot Springs, Palm Desert, City of Indio, La Quinta and Riverside County EDA. The CViHub and its Palm Springs Accelerator Campus offers services, programs and incentives to attract and cultivate new, clean technology entrepreneurs across multiple fields. CViHub works to provide a wide variety of programs, services and incentives to start-up businesses focused on creating and developing clean technology. CVEP manages another IHUB Accelerator Campus in Palm Desert, which opened in the Fall of 2021.

CVEP also provides practical assistance and quality services to small businesses in the region. Through the administration of one-on-one consulting, business education, access to capital and supporting services, our clients can stabilize and grow their business, and contribute to the economic growth of the community.

CVEP and its programs are in operation for one primary goal: To help grow the year-round job base of the region and develop a trained and educated workforce for those jobs.

Cash Equivalents

For purposes of financial statement reporting, the Organization considers all highly liquid investments with a maturity of three months or less to be considered cash equivalents.

Fair Value of Instruments

The carrying value of the Organization's financial instruments is considered to approximate the fair value. Cash, accounts, receivable and accrued liabilities are settled so close to the balance sheet that the fair value does not differ significantly from the stated amounts.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

COACHELLA VALLEY ECONOMIC PARTNERSHIP

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no net assets with donor restrictions at June 30, 2023 and 2022.

Property and Equipment

Property and equipment are carried at cost, or, in the case of donated assets, at market value on the date of donation, and are depreciated using the straight-line method based on the estimated useful lives of the various classes of assets ranging from five to seven years. Expenses for maintenance and repairs are charged to operations as incurred. The Organization follows the practice of capitalizing all expenses for property and equipment in excess of \$3,000.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), and from California franchise fees under related state tax regulations and classified by the Internal Revenue Service as other than a private foundation. The Organization may be subject to tax on income from any unrelated business operations. The Organization does not currently have any unrelated business operations.

The Organization's Form 990, Return of Organization Exempt from Income Tax are subject to examination by the IRS, generally for three years after they were filed.

Revenue Recognition

Membership dues, grants and contributions are recognized in the period earned or unconditionally pledged. Grants and contributions received with donor-imposed restrictions are reported as temporarily or permanently restricted revenue.

In-kind contributions are reflected in the accompanying financial statements at fair value of the services received, if the services create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would otherwise need to be purchased.

COACHELLA VALLEY ECONOMIC PARTNERSHIP

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

2. CONCENTRATIONS

The Organization maintains the cash accounts at commercial banks. The accounts maintained at commercial banks are fully guaranteed by the FDIC up to \$250,000. Given the size and activity of the Organization, account balances throughout the year may exceed the FDIC insured balances. Management is aware of this matter and evaluates cash balances with operational activity.

The Organization received a substantial portion of its revenues from two cities representing 48% and 47% of total revenue for the years ended June 30, 2023 and 2022, respectively.

3. GOING CONCERN

The Organization has suffered recurring losses from operations, indicating a doubt exists about the Organization's ability to continue as a going concern. Management has evaluated these events and conditions and has reduced expenses related to the Palm Desert IHub location for the 2023/2024 in response to the discontinued management contract. Additionally, Management has noted the retirement of the Executive Director as well as another long-term employee at the end of the 2023/2024 fiscal year which will improve cash flow and will reduce or eliminate the operational loss for future periods. Management believes that this plan allows for the Organization to continue as a going concern.

4. GRANTS AND RECEIVABLES

Grants and receivables consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
IHub rents receivable	\$ 42,956	\$ 29,448
Other receivables	<u>46,146</u>	<u>87,967</u>
	89,102	117,415
Allowance for uncollectables	<u>(51,359)</u>	<u>(51,359)</u>
Total	<u>\$ 37,743</u>	<u>\$ 66,056</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 1,134,561	\$ 1,134,561
Furniture, fixtures and office equipment	203,354	203,354
Computers and telephone equipment	<u>28,363</u>	<u>28,363</u>
Subtotal	1,366,278	1,366,278
Less accumulated depreciation	<u>(1,294,930)</u>	<u>(1,252,708)</u>
Total Property and Equipment	<u>\$ 71,348</u>	<u>\$ 113,570</u>

COACHELLA VALLEY ECONOMIC PARTNERSHIP

DRAFT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

6. 401(k) PLAN

Regular employees are eligible to enroll in CVEP’s 401(k) plan on the Plan’s enrollment date. Eligible employees may contribute a percentage of their annual pay or a fixed amount to the Plan for each 12 month consecutive period in which they have been employed with CVEP. For the years ended June 30, 2023 and 2022, the Organization made contributions of \$19,876 and \$20,032, respectively.

7. RELATED PARTY TRANSACTIONS

The Organization reports in-kind services provided by companies owned or affiliated with members of the board of directors including advertising, meeting space, media, legal and accounting services.

8. OPERATING LEASES

The Organization had a five-year lease agreement with the City of Palm Springs through June 2021, for the lease of the CVEP general office space with monthly payments \$5,425. The Organization is now on a month-to-month lease with the City of Palm Springs at the same monthly rate.

The Organization has a lease agreement with the City of Palm Springs for the lease of the CV IHUB and Accelerator Campus with monthly payment of \$5,200 through September 30, 2023.

9. NOTES PAYABLE

In June 2020, the Organization received a Economic Injury Disaster Loan from the Small Business Administration (SBA) in the amount of \$149,900. This loan was offered to qualifying small business to provide financial assistance during the COVID-19 crisis. This 30 year loan charges interest at a 2.75% annual rate, with interest and principal payments of \$641 scheduled to commence in January 2023.

In August 2021, the Organization received a second Economic Injury Disaster Loan from the Small Business Administration (SBA) in the amount of \$150,000. This loan was offered to qualifying small business to provide financial assistance during the COVID-19 pandemic. This 30-year loan charges interest at a 2.75% annual rate, with interest and principal payments of \$641 scheduled to commence in February 2024.

Future maturities of notes payable at June 30, 2023 are as follows:

Years ending June 30,	Amount
2024	\$ 7,432
2025	7,639
2026	7,851
2027	8,070
2028	8,295
Thereafter	<u>260,713</u>
	<u>\$ 300,000</u>

COACHELLA VALLEY ECONOMIC PARTNERSHIP

DRAFT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

10. MANAGEMENT CONTRACTS

In July 2011, CVEP entered into a management agreement with the City of Palm Springs where the Organization manages the daily operations of the iHub location in Palm Springs. The total compensation received for this contract for the years ended June 30, 2023 and 2022 was \$200,000.

In September 2018, CVEP entered into a five-year management agreement with the City of Palm Desert where the Organization manages the daily operations of the iHub location in Palm Desert. The total compensation received for this contract for the years ended June 30, 2023 and 2022 was \$175,000. In September 2023 this contract was renewed for an additional five-year term. In December 2023, this contract was cancelled.

11. LIQUIDITY

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

Cash	\$ 305,215
Grants and receivables	<u>37,743</u>
	<u>\$ 342,958</u>

The Organization is committed to investing liquid assets conservatively. Cash from grants payable is restricted for specific purposes and therefore, is not available for general expenditure.

12. SUBSEQUENT EVENTS

The Organization evaluated all potential subsequent events as of February 2, 2024, when the financial statements were authorized and available to be issued. No subsequent events or transactions were identified after June 30, 2023 or as of February 2, 2024 that require additional disclosure to the financial statements.

BUSINESS SERVICES REPORT

APRIL 17, 2024

Business Services Updates

- **Since we last met, CVEP held the following events:**
 - April 10: Morning Insights – “Land Conservation in the Coachella Valley.” 23 people attended. 8 of those people moved to the Coachella Valley within the last 4 years.
 - April 12: Coachella Valley Fast Pitch. 49 people attended and the event got great coverage by KESQ, including <https://kesq.com/news/top-stories/2024/04/11/coachella-valley-fast-pitch-uplifts-local-entrepreneurs-during-riverside-county-innovation-month/> and <https://youtu.be/eoAXsH-9HMw?si=3Y14FFTQblmQcz04>. See press release included in packet.

- **Upcoming events:**
 - Morning Insights: 2nd Wednesday of each month
 - May 8 – Real Applications of AI for Business – Greg Middleton, COO, Pocial
 - April 30 – Riverside County Fast Pitch Finale

- **iHub projects over the last month include:**
 - One iHub applicant interview conducted.
 - Commenced recruitment project with iHub client company CareVirtue. See additional information at the end of this report.
 - Fast Pitch coaching sessions with Hello Computer, Inc. Coaching sessions were provided to all Fast Pitch participants, regardless of iHub membership.
 - Recruited new pro bono business mentor for iHub client companies. Her specialties are graphic design, web design, and marketing.
 - Maintaining consistent communication with PSiHub Accelerator Campus companies regarding the landlord transition to PSP. Joint meeting pending.
 - Ongoing meetings (once every 1-2 weeks) with new PSiHub client company Birds Eye Aerial Drones.
 - Ongoing strategy meetings with Moducan Corporation.

- **Events attended & key meetings since we last met include:**
 - IEHP Community Luncheon
 - U.S. Bank Access Commitment Launch Event (Pomona)
 - Desert Best Friends Closet Luncheon
 - Ongoing: one-on-one meetings with CVEP board members
 - Ongoing: one-on-one meetings with other local stakeholders

- **Active participation on committee meetings since we last met:**
 - Innovation Month Steering Committee. CVEP coordinates this group, which jointly establishes guidelines for Innovation Month Pitch Competitions and other events. The group will meet once more before the end of April.
 - Riverside County Economic Development Alliance
 - SCE Community Advisory Panel
 - Inland Empire Innovation Council
 - Palm Springs Business Retention Committee

- **New Data Digests published:**
 - Broadband Access in the Coachella Valley
 - Climate Resiliency in the Coachella Valley

Investor Spotlights

- Investor Spotlights:
 - Desert Sun/LOCALiQ (Included in Insights newsletter to 4,968 unique addresses, 39% newsletter open rate)
 - City of Rancho Mirage (Included in Insights newsletter to 4,963 unique addresses, 30% newsletter open rate)

Palm Springs iHub Client Company CareVirtue Recruitment Project

CareVirtue, a Palm Springs iHub client company, has received a research grant from the National Institutes of Health (NIH) to field test a legal and financial planning tool for family dementia caregivers. They are looking to recruit 30 participants from the Coachella Valley – enrolled participants will receive \$150 in compensation during the 90-day study period, and recruitment partners will receive \$100 per enrolled participant.

To be eligible, participants must:

- Be a self-identified primary caregiver status for someone with Alzheimer’s disease or related dementias
- Have access to the internet and access to a laptop or desktop computer
- Be over the age of 18

CareVirtue is an easy-to-use online platform designed to help family caregivers manage care needs for a loved one. The legal and financial planning tool being tested in this study will help caregivers with the legal and budgeting aspects of long-term care. Contact Laura James for further information.

Public Relations Coverage

January 1, 2024 - April 15, 2024

Friday, April 12, 2024

KESQ-TV and KESQ.com

Coachella Valley Fast Pitch Winner Announced

Thursday, April 11, 2024

KESQ-TV and KESQ.com

Coachella Valley Fast Pitch Uplifts Local Entrepreneurs During Riverside County Innovation Month

Tuesday, April 9, 2024

The Public Record

(pdf)

Thursday, April 4, 2024

EconDevShow.com

Economic Development and Developers in the News (#145)

Wednesday, March 27, 2024

KESQ-TV

Laura James Named Interim CEO of the Coachella Valley Economic Partnership

Wednesday, March 27, 2024

UkenReport.com

Laura James Named Interim CEO for CVEP

Wednesday, March 27, 2024

CoachellaValleyTimes.com

Laura James Named Interim CEO for Coachella Valley Economic Partnership (CVEP)

Wednesday, March 27, 2024

GCVCC.com

Laura James Named Interim CEO for Coachella Valley Economic Partnership (CVEP)

Wednesday, March 20, 2024

KESQ-TV and KESQ.com

Birds Eye Aerial Drones Accepted Into Palm Springs iHub Business Incubator Program

Thursday, March 7, 2024

GPSMarketintel.com

CVEP's iHub Company Enters Generative AI Market Upon Completing National Techstars' Founder Catalyst Program

Tuesday, March 5, 2024

RanchoMirageChamber.org

CVEP's iHub Company Enters Generative AI Market Upon Completing National Techstars' Founder Catalyst Program

Sunday, March 3, 2024

The Desert Sun

Judy Vossler to be Honored by Boys & Girls Clubs of Coachella Valley

(pdf)

Friday, March 1, 2024

DesertSun.com

Judy Vossler to be Honored as Champion of Youth by Boys & Girls Clubs of Coachella Valley

Tuesday, February 20, 2024

The Public Record

Birds Eye Aerial Drones Joins Palm Springs iHub

(pdf)

Tuesday, February 13, 2024

GPSMarketintel.com

Birds Eye Aerial Drones Joins Palm Springs iHub

Friday, January 19, 2024

KESQ-TV and KESQ.com

Presale Tickets for Coachella Valley Music and Arts Festival 2024 Go On Sale Today

Friday, January 19, 2024

CVIndependent.com

Reporting Recognized: The Coachella Valley Journalism Foundation Will Celebrate Its Inaugural Hall of Fame

Inductees at a Fundraising Luncheon

Wednesday, January 3, 2024

CoachellaValleyTimes.com

Coachella Valley Economic Partnership's Monthly Morning Insights Forum to be Held Next Week

To view the links or pdfs of the above coverage, visit <https://cvep.com/press/>

CEO REPORT

Operational Highlights March 2024

1. CVEP and Desert Health Care District held a project kick-off meeting on April 11. The project, The Regional Economic Impacts of DHCD's Community and Clinical Social Needs Goals and Recommendations Implementation, will see work commence this month with an initial billing to DHCD in late May. CVEP will invoice DHCD monthly as the project continues.
2. The amended budget for the remainder of FY 23-24 was completed and submitted to the Executive Committee for review. Having no questions posed, we implemented the March Budget Revision into the March financials. We are also roughing in a budget for FY 24-25 that reflects the new facilities arrangements and 2024-2025 staff.
3. David Powell has been hired (currently part-time) as CVEP's Director of Operations and Programs. During this time, David is learning all of the operational functions that Lesa Bodnar has managed for many years.
4. Things to watch for in the coming months include: review of bylaws, board member onboarding, organizational strategic planning, and nominating committee. Board member involvement will be important for these initiatives.
5. The City of Palm Desert paid the \$10,000 for the CVEP-owned items at the Palm Desert iHub. They advised us that the balance of the equipment would be donated to Angel View as we had no place to put it.
6. CVEP has held three Summit debriefs with staff, board, and outside participation. Several really good ideas have been floated and we will continue the process in anticipation of crafting a more visible, impactful, and profitable Summit.
7. CVEP is securing sponsorships for FY 24-25 with a number of familiar investors already in the process of committing to another year.

FINANCIAL SNAPSHOT APRIL 11, 2024

Cash Positions

Cash on Deposit:	\$ 161,492
Cash? AR Expectations thru EOM:	\$ 122,147 (AR + new billings)
Total Cash & AR:	\$ 283,639
Less Projected Ops :	\$ 27,500 (through 4/30)
Projected Cash & AR End of April	\$ 256,139 (approx. 4.6 months)

Comparison of YTD FY 23-24 and FY 22-23

Financial Metric	YTD FY 23-24	YTD FY 22-23	Year to Year Change
Revenue	\$834,122	\$949,587	-\$115,465
Expenses	\$805,604	\$965,544	-\$159,940
Revenue less Expenses	\$28,518	(\$15,957)	\$44,475

Comparison of YTD FY 23-24 and YTD Budget FY 23-24 (identical to 22-23 as per exec instructions)

Financial Metric	YTD FY 23-24	Budget YTD FY 23-24	Deviation from Budget
Revenue	\$834,122	\$820,571	\$13,551
Expenses	\$805,604	\$846,239	-\$40,635
Revenue less Expenses	\$28,518	(\$25,668)	\$54,186

1. Excludes depreciation and interest.
2. Taken from Osborne Rincon Reports for March 31, 2024, and March 31, 2023
3. Budget for YTD 23-24 taken from March Budget Revision submitted in early March.

Balance Sheet Changes Post June 30, 2023

- Cash decreased to \$173,328 from \$305,215
- Total Assets decreased to \$306,043 from \$413,966
- Liabilities decreased to \$378,242 from \$562,222 (short term liability is \$96,806)
- Total Net Assets increased to (\$72,198) from (\$148,255)

It is of note that Current Assets exceeds Current Liabilities by \$166,038 or 2.72x



FOR IMMEDIATE RELEASE

April 15, 2024

Contact: Laura James

Phone: 760-219-1163 (for media use only)

Email: Laura@cvep.com

Winners of CVEP’s 7th Annual Coachella Valley Fast Pitch Announced

Palm Springs, California – The Coachella Valley Economic Partnership (CVEP), Desert Business Association (DBA), and Riverside County Office of Economic Development have joined forces again this April to celebrate Riverside County Innovation Month. As part of the monthlong celebration of innovation, local entrepreneurs and the public were invited to participate in the region’s signature Innovation Month event, Coachella Valley Fast Pitch, hosted by CVEP, DBA, and the City of Cathedral City.

Coachella Valley Fast Pitch was held from 9:30 a.m. to 11:30 a.m. in Cathedral City Council Chambers on Friday, April 12, 2024.

Entrepreneurs and innovators from all across the Coachella Valley applied to pitch their ideas to a panel of three expert judges, plus a fourth judge: the audience. Four entrepreneurs were ultimately selected to participate. This year’s Coachella Valley Fast Pitch also included a Student Pitch Showcase, featuring presentations from College of the Desert business and entrepreneurship students.

“This competition is designed to highlight the amazing innovators in our region,” said Laura James, CVEP’s Interim CEO. “Highlighting our region’s innovators – alongside bright young students pursuing entrepreneurial ventures – as part of a highly visible, county-wide competition helps us break the stereotype of the Valley as just a golf and retirement destination. And by changing the narrative, we make the region more attractive to investors.”

Earning first place in the startup pitch competition was Rossana Jeran, CEO of Hello Computer, Inc., a social purpose technology company with a signature AI-driven content engine that can power apps for education, literacy, therapeutic, and entertainment purposes.

“What a thrill and honor to win 1st Place in the Coachella Valley Fast Pitch! Fueled by my passion for technology and social impact, the idea of advancing to the county competition propels me forward with determination and purpose,” said Jeran after winning the top prize package, valued at \$1,000.

As the first-place winner, Jeran will move forward to represent the Coachella Valley startup ecosystem at the Riverside County Fast Pitch Finale, to be held in Riverside on Thursday, April 30, 2024.

(MORE)

Capturing second place in the startup pitch competition and receiving a \$200 cash prize, was Kyle Aquino, CEO of NVIS.AI. A cybersecurity company, NVIS.AI provides remote workers with ultra-secure access to company networks from anywhere.

Winning the Audience Favorite Award was Prema Walker, founder of Prema's Permaculture and Composting, a company that seeks to divert food waste from landfills and encourage sustainable agriculture practices.

This year's judges were Jeffrey Bernstein, Mayor of Palm Springs; Todd Hooks, Director of Economic Development, Agua Caliente Band of Cahuilla Indians; and Jake Wuest, Market President, FirstBank.

Sponsors of this year's Coachella Valley Fast Pitch event were BCreative LLC, Brumer Law Group, Hunter|Johnsen, Roadrunner Print and Ship, and Desert Hand Car Wash Cathedral City. Promotional partners included Riverside County Office of Economic Development and Desert Business Association.

Photos:

- 1. Rossana Jeran of Hello Computer, Inc., with Laura James, Interim CEO of CVEP*
- 2. Kyle Aquino of NVIS, Inc., with Laura James, Interim CEO of CVEP*
- 3. 2024 Fast Pitch Judges: Jake Wuest, Market President of FirstBank; Jeffrey Bernstein, Mayor of Palm Springs; Todd Hooks, Director of Economic Development, Agua Caliente Band of Cahuilla Indians*

About CVEP

The mission of the Coachella Valley Economic Partnership is to incite a vision-driven economic transformation in the Greater Palm Springs region. Established in 1994, the nonprofit organization is a vital innovator of regional business development initiatives, fostering entrepreneurship and diversifying industry. As the only regional entity with the capacity to execute technology-led economic development, the partnership has dedicated significant resources to incubate cutting edge businesses through its pioneering iHubs in Palm Springs, Palm Desert, and Indio. CVEP is committed to promoting a diversified, year-round economy through business attraction, retention, and expansion. Visit www.cvep.com or call 760-340-1575.

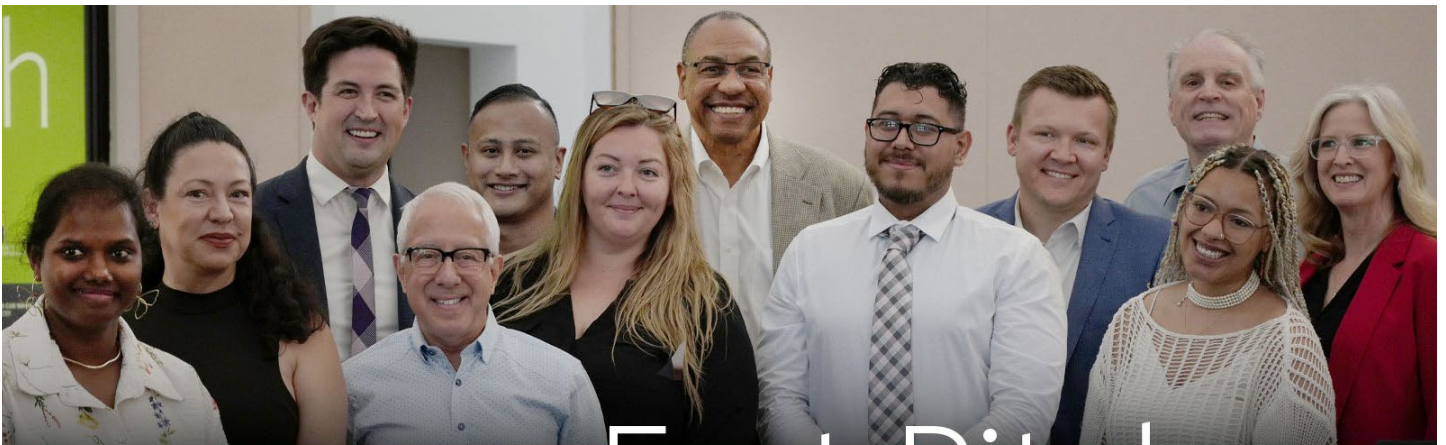
About Desert Business Association

The Desert Business Association (DBA) is the LGBTQ and Ally Chamber of Commerce for the entire Coachella Valley. With over 320 members, DBA advocates for Diversity, Equity and Inclusion in business and social practices, and welcomes all who share those values. Visit www.DesertBusiness.org.

About Riverside County Office of Economic Development

The Office of Economic Development's mission is to elevate the economic position of the county and foster economic vitality, encourage business growth, build a positive business climate, preserve and enhance neighborhoods, improve the quality of life, provide and promote cultural and learning opportunities for all. The overarching goal of the department is to facilitate regional economic development efforts that promote job growth, investment, entrepreneurship, and innovation; the office also creates a business-friendly climate that supports the efforts of the private sector. Visit www.rivcoed.org or call 951.955.8916.

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2024 COACHELLA VALLEY **Fast Pitch**



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