

**GROSSMONT HEALTHCARE DISTRICT  
AGREED-UPON PROCEDURES REPORT  
ON CASH DISBURSEMENTS  
FOR THE CO-GENERATION PROJECT**

**For the fiscal year ended June 30, 2013**

GROSSMONT HEALTHCARE DISTRICT  
AGREED-UPON PROCEDURES REPORT  
ON CASH DISBURSEMENTS  
FOR THE CO-GENERATION PROJECT

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WHITE NELSON DIEHL EVANS LLP  
Certified Public Accountants & Consultants

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Grossmont Healthcare District  
La Mesa, California

We have performed the procedures enumerated below, which were agreed to by Management and the Audit Committee of Grossmont Healthcare District and as requested by the Independent Community Bond Oversight Committee (the specified parties), solely to assist you with determining if cash disbursements made for the Co-Generation Project are approved as permitted as defined in the Lease Agreement between RBS Asset Financing, Inc. and Grossmont Healthcare District dated June 1, 2012 for the fiscal year ended June 30, 2013. Grossmont Healthcare District's management is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are presented herein on page 2.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Management and the Audit Committee of Grossmont Healthcare District and the Independent Community Bond Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

*White Nelson Diehl Evans LLP*

Carlsbad, California  
September 10, 2013

ATTACHMENT I  
PROCEDURE & FINDINGS

**General Procedure**

For 90% of the Co-Generation cash disbursements for the fiscal year ended June 30, 2013 we reviewed the supporting invoices and/or underlying contracts to determine that the expenditures are approved as permitted expenditures as defined in the Lease Agreement between RBS Asset Finance, Inc. and Grossmont Healthcare District dated June 1, 2012.

No exceptions were found as a result of applying this procedure.

ATTACHMENT II  
TESTING & CASH BALANCE

**Testing**

<u>Date</u>	<u>Vendor</u>	<u>Amount</u>
7/27/2012	Solar Turbines Incorp.	\$ 407,230
10/31/2012	OSHPD	148,391
10/31/2012	McCarthy Construction	164,056
11/14/2012	Solar Turbines Incorp.	663,764
1/29/2013	Solar Turbines Incorp.	1,713,590
5/20/2013	Solar Turbines Incorp.	1,096,900
6/25/2013	Solar Turbines Incorp.	376,381
6/30/2013	McCarthy Construction	151,133
6/30/2013	McCarthy Construction	23,282
	<b>Total Tested</b>	<b>\$ 4,744,727</b>

**Cash Balance**

The cash balance at June 30, 2013 on deposit at Citizens Bank was \$13,599,040.