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**MEMORANDUM**

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**TO:** BOARD OF DIRECTORS  
**FROM:** TOM SAIZ, CFO  
**SUBJECT:** FY 14/15 BUDGET  
**DATE:** JUNE 20, 2014  
**CC:** FILE

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The District's budget for the fiscal year ending June 30, 2015 is attached. The following are highlights of the more significant items for your review:

- Property tax revenue has been budgeted to increase 4%. This increase is based on recent trending and a review of local and regional property valuation activity.
- Grant income of \$250,000 is the estimate for the Indian Gaming County grant. A corresponding \$250,000 is included in the "Community Healthcare" detail of the budget to reflect the anticipated payment of the grant to the Prop. G project fund.
- Other income of \$375,000 is the estimate for the reimbursement of professional fees incurred by the District relating to the extended lease of Grossmont Hospital by Sharp HealthCare.
- We continue to make efforts to cut costs when opportunities are favorable. Most line items on this year's budget are fairly comparable to the current year's budget.
- The budget includes an increase in the contingency reserve from \$2,000,000 to \$2,250,000. This line item can be found in the "Non-operating" detail of the budget.
- The budget includes an estimated \$240,000 cost for a regular general election. This cost can be found in the "Non-operating" detail of the budget. The current year is an off-cycle election year which included no budgeted election costs.
- Bond principal payments increase to \$990,000 in accordance with the scheduled debt service. This can be found in the "Prop. G Expenses" detail of the budget.
- The new Project Liaison Manager position has been added to the "Prop. G Expenses" detail and is initially established as 100% Prop. G reimbursable.
- Included in the budget is a "Schedule of Full-Time Employees & Public Salary Schedule" required by PERS to be brought to the Board annually for adoption.

**GROSSMONT HEALTHCARE DISTRICT**  
**OPERATING BUDGET**  
For The Year Ending June 30, 2015



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## EXECUTIVE SUMMARY

Enclosed is the budget for Grossmont Healthcare District (the "District") for the fiscal year ending June 30, 2015. This budget consists of revenues and six categories of expenses that are each supported by an individual schedule. The District's primary source of income is derived from *ad valorem* property taxes. The following are line-item descriptions for the District's revenue and expense categories.

This budget does not include any costs relating to the negotiation of an extended lease with the current operators of Grossmont Hospital. Timing considerations and costs such as consultants, legal, accounting and audit, election (not campaign costs) and the like are not estimable at the time this document was prepared. The District may prepare an amended budget at any time during the year should more information become available on this matter.

### REVENUES

Property taxes-general are received from the San Diego County Tax Collector's office. Projected revenue assumes a 4% increase in property tax revenue from FY12/13 actual receipts (we do not have a full year for FY14). Anticipated annual income has been ratably spread for budget purposes.

Property taxes-Prop. G is received from the San Diego County Tax Collector's office. These property taxes resulted from the voter passage of Proposition G in June 2006. The fixed rate assessment is currently at \$20.05 per \$100,000 of assessed value and is expected to remain unchanged until 2015. The assessment will be reviewed and changed accordingly, once the District's final bonds are sold. The assessment is adopted each year in August by the Board until the bonds are paid in full. Projected revenue assumes a 4% increase in property tax revenue from FY12/13 actual receipts (we do not have a full year for FY14).

Grant income represents miscellaneous grant income that may be received by the District from time to time.

Interest income-general represents investment earnings on the checking, money market and investment accounts of the District's general fund. Anticipated annual income is based on cash flow projections and has been ratably spread for budget purposes.

Interest income-bond funds represent investment earnings on the Proposition G debt service and building/project fund investment accounts. Anticipated annual income is based on cash flow projections and has been ratably spread for budget purposes.

## **EXPENSES**

The budget includes six expense categories: administrative, community healthcare, non-operating, library operating, facility and Prop. G expenses.

Administrative expenses include costs incurred for the day-to-day operations of the District.

Community healthcare expenses include community healthcare grants, support and related costs for programs.

Non-operating expenses include costs incurred for expenses not attributed to the District's day-to-day operations.

Library operating expenses include costs incurred to operate the District's health library.

Facility expenses include costs incurred for the operation and maintenance of all District facilities and land.

Proposition G expenses include debt service and estimated administrative costs related to the bond financing for Proposition G funded improvements. Some costs may be reimbursed back to the District from the Proposition G Building Fund

## **EXPENSES**

### Administrative Expenses

Salaries and stipends include salaries for the Chief Executive Officer, Chief Financial Officer, and Executive Assistant. The Chief Executive Officer, a contracted position, is assumed to be renewed for budget purposes. Stipends include payments to each board member in the amount of \$100 per meeting, not to exceed a five-hundred dollar maximum in any calendar month, as well as payments to their designees to attend meetings on behalf of the District.

Fringe benefits include the following:

- Payroll taxes related to budgeted salaries.
- Health and welfare premiums paid to Vision Service Plan, the Guardian dental plan, PERS for health and long-term disability insurance, respectively and PERS retirement contributions. Also included are health expenses for co-pays and deductible payments, as well as other post-employment reimbursements for retired employees.
- Workers' compensation insurance payments to State Compensation Insurance Fund based on salaries.
- Vacation pay and life insurance for employees.
- CalPERS Retiree Benefit Trust deposits.

Travel, seminars and workshops are expenses incurred by the Board of Directors and staff to attend conferences, seminars and workshops.

Dues, meetings, memberships and outreach are paid to community and professional membership organizations.

Annual independent audit consists of fees for required annual independent audits.

General Counsel – general matters are services provided by the Law Offices of Scott and Jackson.

Board meeting expense includes costs incurred to hold public Board meetings.

Office supplies are for various items needed for the administration of the District.

Equipment rental includes various rent payments for storage space and equipment.

Advertising retainer fees are paid to Rick Griffin for professional services.

Advertising/publications costs are for brochures and marketing/public relations costs to advertise in various periodicals and produce related media.

General community support includes donations and general support to various community partners, agencies and nonprofit organizations.

Bond oversight committee expenses are costs related to providing support to the Proposition G Independent Citizens' Bond Oversight Committee. Most of the support will be provided by GAFCON.

Other expenses are payments made to miscellaneous vendors as needed.

### Community Healthcare Expenses

Community healthcare grants and sponsorships represent the anticipated annual outlay by the District to fund specific approved grant proposals and events meeting pre-defined District criteria.

Benefitting Grossmont Hospital represents committed funds for Grossmont Hospital or Foundation programs benefiting Grossmont Hospital.

Community healthcare scholarships represent the anticipated annual outlay by the District to fund specific approved scholarships.

Miscellaneous grants are healthcare grants the District may occasionally award.

Pre-award and post-award grant audits are for audit services of prospective and/or existing grant recipients.

Community health fairs and awards are open community events for public health education, information and recognition.

### Non-operating Expenses

Election expense is based upon the estimates that are provided by the San Diego County Registrar's Office for scheduled general elections or special elections.

Legislative advocate services are provided by Randlett Nelson Madden.

Other consultant expenses include fees paid to various other consultants.

LAFCO is the Local Agency Formation Commission cost for the fiscal year.

Co-gen interest and amortization are costs associated with the financing of a state-of-the-art energy cogeneration facility to be built and used for Grossmont Hospital.

State budget contingency reserve represents anticipated State Prop 1A borrowing.

Contingency reserve is a Board designated cash set-aside for possible future contingencies.

### Library Operating Expenses

Salaries include the Library Director and assistants.

Fringe benefits include the following:

- Payroll taxes related to budgeted salaries.
- Health and welfare premiums paid to Vision Service Plan, the Guardian Dental Plan. PERS for health and long-term disability insurance respectively, and PERS retirement contributions. Also included are health expenses for co-pays and deductibles and life insurance.

Technology maintenance is for all technology related service and maintenance.

Print resources are printed materials such as books and periodicals.

Electronic and A/V resources are media which is not traditionally printed such as DVD's, e-books, and on-line subscription databases.

Professional memberships, meetings, and travel are for library related expenses and travel for the Library Director and staff.

Equipment and equipment rental represents contracted rentals and small equipment purchases.

Supplies and miscellaneous represents items needed for day to day consumables.

Services represent contracted services on an as needed basis.

### Facilities Expenses

Facilities consultant provides services for facilities maintenance and oversight.

Security includes costs for alarm monitoring and for providing security during business and non-business hours.

Communications includes costs for all communications related services.

Technology maintenance includes costs for maintenance and repair of technology equipment.

Landscape maintenance includes costs for landscaping services.

Janitorial includes costs for janitorial services.

Electricity and water/sewer includes related costs for consuming the utility.



Disposal services include costs for regular and special garbage disposal services.

Repairs and maintenance includes costs for routine maintenance and pest control.

Insurance includes directors/officers, property and liability coverage.

Capital asset purchases represent anticipated expenditures for movable equipment.

Depreciation expense represents the expensing of equipment, furniture and the facility over their useful lives.

#### Prop. G. Expenses

Bond principal payments represent scheduled Proposition G bond principal payments scheduled annually each July 15<sup>th</sup> through 2040.

Bond interest payments represent scheduled Proposition G bond interest payments scheduled annually every January 15<sup>th</sup> and July 15<sup>th</sup> through 2040.

Legal fees represent costs for administering contracts and related matters for Proposition G related activities.

Legal fees reimbursement represents amounts anticipated to be reimbursed to the District from the Proposition G Building Fund.

Facilities consultant fees relate to costs incurred for Proposition G related activities.

Other expenses will vary and are expected to consist of non-recurring expenses.

**GROSSMONT HEALTHCARE DISTRICT  
BUDGETED STATEMENT OF REVENUES AND EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2015**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>REVENUES:</b>													
Property taxes-general	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 5,999,552
Property taxes - debt service	772,453	772,453	772,453	772,453	772,453	772,453	772,453	772,453	772,453	772,453	772,453	772,453	9,269,436
Grant income	-	-	-	-	-	-	-	-	-	-	-	-	289,000
Interest income - general	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000
Interest income - bond funds	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000
<b>Total Revenues</b>	<b>1,313,916</b>	<b>1,602,916</b>	<b>1,313,916</b>	<b>1,313,916</b>	<b>1,313,916</b>	<b>1,313,916</b>	<b>1,313,916</b>	<b>1,313,916</b>	<b>1,313,916</b>	<b>1,313,916</b>	<b>1,313,916</b>	<b>1,313,912</b>	<b>16,055,988</b>
<b>EXPENSES:</b>													
Administrative	102,825	553,547	581,047	804,047	793,547	558,547	6,154,753	557,547	553,547	554,047	553,547	553,051	19,417,161
Community healthcare	176,281	176,281	176,281	426,281	176,281	176,281	176,281	176,281	176,281	176,281	176,281	175,787	2,364,878
Non-operating	222,881	219,000	219,000	219,000	459,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	2,871,881
Library operating	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,479	329,550
Facility expenses	58,230	26,230	26,230	26,730	26,230	31,230	26,730	30,230	26,230	26,730	26,230	26,230	357,260
Prop. G expenses	6,612,256	1,750	1,750	1,750	1,750	1,750	5,602,456	1,750	1,750	1,750	1,750	1,750	12,232,212
<b>Total Expenses</b>	<b>7,199,934</b>	<b>553,547</b>	<b>581,047</b>	<b>804,047</b>	<b>793,547</b>	<b>558,547</b>	<b>6,154,753</b>	<b>557,547</b>	<b>553,547</b>	<b>554,047</b>	<b>553,547</b>	<b>553,051</b>	<b>19,417,161</b>
<b>NET INCOME</b>	<b>\$ (5,886,018)</b>	<b>\$ 1,049,369</b>	<b>\$ 732,869</b>	<b>\$ 509,869</b>	<b>\$ 520,369</b>	<b>\$ 755,369</b>	<b>\$ (4,840,837)</b>	<b>\$ 756,369</b>	<b>\$ 760,369</b>	<b>\$ 759,869</b>	<b>\$ 760,369</b>	<b>\$ 760,861</b>	<b>\$ (3,361,173)</b>

**RECONCILIATION OF NON-CASH ADJUSTMENTS  
FOR THE YEAR ENDING JUNE 30, 2015**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>NET INCOME</b>	<b>\$ (5,886,018)</b>	<b>\$ 1,049,369</b>	<b>\$ 732,869</b>	<b>\$ 509,869</b>	<b>\$ 520,369</b>	<b>\$ 755,369</b>	<b>\$ (4,840,837)</b>	<b>\$ 756,369</b>	<b>\$ 760,369</b>	<b>\$ 759,869</b>	<b>\$ 760,369</b>	<b>\$ 760,861</b>	<b>\$ (3,361,173)</b>
<b>EXPENSES:</b>													
Add-back depreciation	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	128,700
Add-back contingency reserve	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	2,250,000
Add-back Cogen interest/amort	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000
Add-back debt service transfers	975,890	-	-	-	-	-	975,890	-	-	-	-	-	1,951,780
<b>Total Expenses</b>	<b>1,201,615</b>	<b>225,725</b>	<b>225,725</b>	<b>225,725</b>	<b>225,725</b>	<b>225,725</b>	<b>1,201,615</b>	<b>225,725</b>	<b>225,725</b>	<b>225,725</b>	<b>225,725</b>	<b>225,725</b>	<b>4,680,480</b>
<b>ADJUSTED NET INCOME</b>	<b>\$ (4,684,403)</b>	<b>\$ 1,275,094</b>	<b>\$ 958,594</b>	<b>\$ 735,594</b>	<b>\$ 746,094</b>	<b>\$ 981,094</b>	<b>\$ (3,639,222)</b>	<b>\$ 982,094</b>	<b>\$ 986,094</b>	<b>\$ 985,594</b>	<b>\$ 986,094</b>	<b>\$ 986,586</b>	<b>\$ 1,299,307</b>

**GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF ADMINISTRATIVE EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2015**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Administrative Expenses:</b>													
Salaries & stipends	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 40,630	\$ 487,560
Fringe benefits and other post-employment	28,560	28,560	28,560	28,560	28,560	28,560	28,560	28,560	28,560	28,560	28,560	28,560	342,720
Travel, seminars and workshops	900	900	900	900	900	900	900	900	900	900	900	900	10,800
Dues, meetings memberships and outreach	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Annual independent audit	-	-	27,500	-	-	-	-	-	-	-	-	-	27,500
General Counsel-general matters	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Board meeting expenses	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Office supplies	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Equipment rental	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Advertising retainer fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Advertising/publications	500	500	500	500	500	500	500	500	500	500	500	500	6,000
General community support	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
Bond oversight committee	8,335	8,335	8,335	8,335	8,335	8,335	8,335	8,335	8,335	8,335	8,335	8,315	100,000
Other	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
<b>Total Administrative Expenses</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 130,325</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 102,825</b>	<b>\$ 1,261,380</b>

**GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF COMMUNITY HEALTHCARE EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2015**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Community Healthcare:</b>													
Community healthcare grants & sponsorships	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,665	\$ 76,663	\$ 919,978
Benefiting Grossmont Hospital	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,337	1,000,000
Community healthcare scholarships	10,583	10,583	10,583	10,583	10,583	10,583	10,583	10,583	10,583	10,583	10,583	10,587	127,000
Miscellaneous grants	-	-	250,000	-	-	-	-	-	-	-	-	-	250,000
Pre-award and post-award grant audits	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Community health fairs and awards	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,000	65,500
<b>Total Community Healthcare</b>	<b>\$ 176,281</b>	<b>\$ 176,281</b>	<b>\$ 176,281</b>	<b>\$ 426,281</b>	<b>\$ 176,281</b>	<b>\$ 176,281</b>	<b>\$ 176,281</b>	<b>\$ 176,281</b>	<b>\$ 176,281</b>	<b>\$ 176,281</b>	<b>\$ 176,281</b>	<b>\$ 175,787</b>	<b>\$ 2,364,878</b>

**GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF NON-OPERATING EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2015**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Non-operating Expenses:</b>													
Election expense	\$ -	\$ -	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
Legislative advocate	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Other consultants	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
LAFCO	3,881	-	-	-	-	-	-	-	-	-	-	-	3,881
Cogen interest and amortization	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000
State budget contingency reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency reserve	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	2,250,000
<b>Total Non-operating Expenses</b>	<b>\$ 222,881</b>	<b>\$ 219,000</b>	<b>\$ 219,000</b>	<b>\$ 219,000</b>	<b>\$ 459,000</b>	<b>\$ 219,000</b>	<b>\$ 219,000</b>	<b>\$ 219,000</b>	<b>\$ 219,000</b>	<b>\$ 219,000</b>	<b>\$ 219,000</b>	<b>\$ 219,000</b>	<b>\$ 2,871,881</b>

GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF LIBRARY OPERATING EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2015

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Library Operating Expenses:</b>													
Salaries	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 13,800	\$ 165,600
Fringe benefits	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,038	84,500
Technology maintenance	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,112	13,300
Print resources	795	795	795	795	795	795	795	795	795	795	795	805	9,550
Electronic and AV resources	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,916	1,924	23,000
Professional memberships, meetings and travel	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Equipment and equipment rental	758	758	758	758	758	758	758	758	758	758	758	762	9,100
Supplies & Miscellaneous	550	550	550	550	550	550	550	550	550	550	550	550	6,600
Services	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,088	13,100
<b>Total Library Operating Expenses</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,461</b>	<b>\$ 27,479</b>	<b>\$ 329,550</b>

**GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF FACILITIES EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2015**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Facility Expenses:</b>													
Facility consultant fees	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Security	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	27,000
Communications	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	2,275	27,300
Technology maintenance	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
Landscape maintenance	900	900	900	900	900	900	900	900	900	900	900	900	10,800
Janitorial	2,000	1,500	1,500	2,000	1,500	1,500	2,000	1,500	1,500	2,000	1,500	1,500	20,000
Electricity	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Water/sewer	850	850	850	850	850	850	850	850	850	850	850	850	10,200
Disposal services	230	230	230	230	230	230	230	230	230	230	230	230	2,760
Repairs and maintenance	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	28,500
Capital asset purchases	3,000	-	-	-	-	5,000	-	4,000	-	-	-	-	12,000
Depreciation	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	128,700
<b>Total Facility Expenses</b>	<b>\$ 56,230</b>	<b>\$ 26,230</b>	<b>\$ 26,230</b>	<b>\$ 26,730</b>	<b>\$ 26,230</b>	<b>\$ 31,230</b>	<b>\$ 26,730</b>	<b>\$ 30,230</b>	<b>\$ 26,230</b>	<b>\$ 25,730</b>	<b>\$ 26,230</b>	<b>\$ 26,230</b>	<b>\$ 357,260</b>

GROSSMONT HEALTHCARE DISTRICT  
 SCHEDULE OF PROPOSITION G EXPENSES-CASH BASIS  
 FOR THE YEAR ENDING JUNE 30, 2015

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Prop. G Expenses:</b>													
Bond principal payments	\$ 990,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 990,000
Bond interest payments	5,620,506	-	-	-	-	-	5,600,706	-	-	-	-	-	11,221,212
Liaison Manager (hourly temporary service)	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	75,000
Liaison Manager reimbursement	(6,720)	(6,720)	(6,720)	(6,720)	(6,720)	(6,720)	(6,720)	(6,720)	(6,720)	(6,720)	(6,720)	(6,720)	(75,000)
Legal fees	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	252,000
Legal fees reimbursement	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(240,000)
Facilities consultant fees	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Other	250	250	250	250	250	250	250	250	250	250	250	250	3,000
<b>Total Prop. G expenses:</b>	<b>\$ 6,612,256</b>	<b>\$ 1,750</b>	<b>\$ 1,750</b>	<b>\$ 1,750</b>	<b>\$ 1,750</b>	<b>\$ 1,750</b>	<b>\$ 5,602,456</b>	<b>\$ 1,750</b>	<b>\$ 1,750</b>	<b>\$ 1,750</b>	<b>\$ 1,750</b>	<b>\$ 1,750</b>	<b>\$ 12,232,212</b>



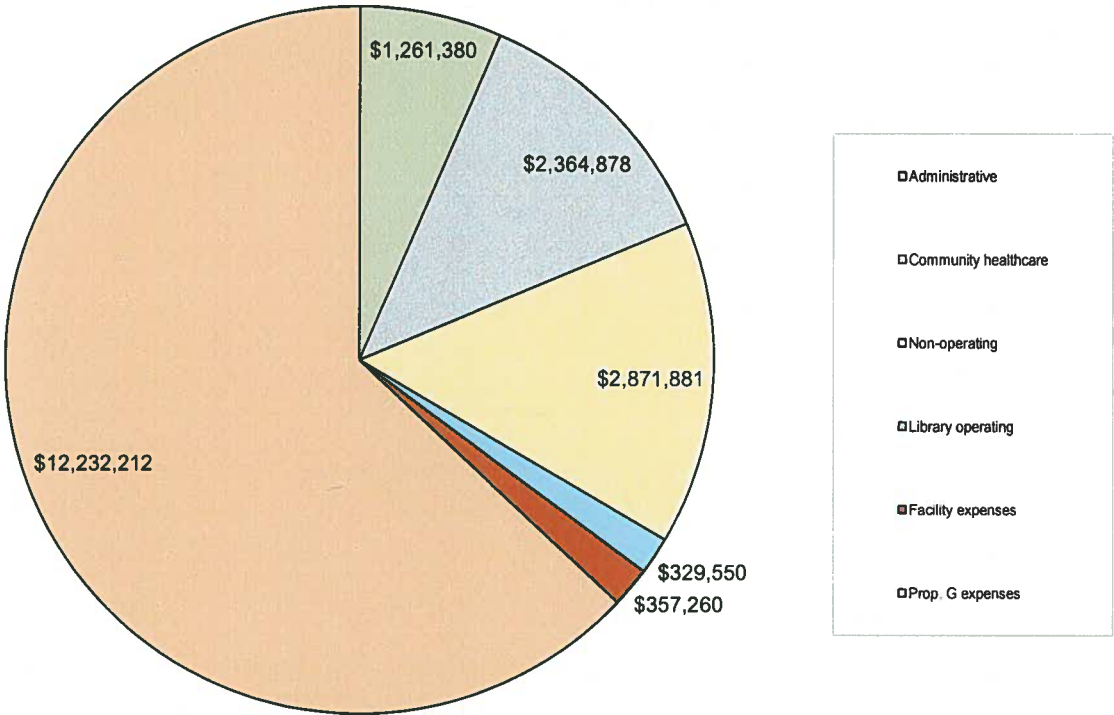
**GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF FULL-TIME EMPLOYEES & PUBLIC SALARY SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Positions</u>	<u>Full-Time Equivalents</u>	<u>Budgeted Amount</u>	<u>Charged To</u>	<u>Annual Salary Range</u>	<u>PERS Retirement Eligible</u>
Chief Executive Officer	1.00		Administration	\$150,000-\$225,000	Yes
Chief Financial Officer	1.00		Administration	\$125,000-\$200,000	Yes
Executive Assistant	1.00		Administration	\$30,000-\$50,000	Yes
Project Liaison Manager	0.75		Prop. G	\$65,000-\$85,000	Yes
Elected Board Member Stipends (5)	5.00		Administration	\$0-\$6,000	No
Board Member Designee Stipends (4)	N/A		Administration	\$0-\$3,600	No
<b>Administration Sub-total</b>		<u>\$ 487,560</u>			
Library Director	1.00		Library Operations	\$60,000-\$90,000	Yes
Full-time Library Assistant	1.00		Library Operations	\$30,000-\$50,000	Yes
Part-time Library Assistants (3)	1.00		Library Operations	\$2,000-\$12,000	No
<b>Library Sub-total</b>		<u>\$ 165,600</u>			
<b>Total Full-time Positions</b>	<u>11.75</u>	<u>\$ 653,160</u>			

Note 1: Board designees meeting attendance fluctuates monthly

Note 2: Project Liaison Manager position is outsourced, however exceeds minimum hours for PERS retirement.

**Grossmont Healthcare District  
Fiscal Year 2014 - 2015  
Budget**



<u>Budget Classification</u>	<u>Total</u>
Administrative	\$ 1,261,380
Community healthcare	2,364,878
Non-operating	2,871,881
Library operating	329,550
Facility expenses	357,260
Prop. G expenses	12,232,212
	<u>\$ 19,417,161</u>

Note: Prop. G expenses include \$11,200,000 in debt service.

**GROSSMONT HEALTHCARE DISTRICT**  
**BUDGETED STATEMENT OF REVENUES AND EXPENSES - GENERAL FUND - CASH BASIS**  
**FOR THE YEAR ENDING JUNE 30, 2015**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>REVENUES:</b>													
Property taxes-general	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,963	\$ 499,959	\$ 5,999,552
Grant income	-	289,000	-	-	-	-	-	-	-	-	-	-	289,000
Interest income - general	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000
<b>Total Revenues</b>	<b>506,463</b>	<b>795,463</b>	<b>506,463</b>	<b>506,463</b>	<b>506,463</b>	<b>506,463</b>	<b>506,463</b>	<b>506,463</b>	<b>506,463</b>	<b>506,463</b>	<b>506,463</b>	<b>506,459</b>	<b>6,366,552</b>
<b>EXPENSES:</b>													
Administrative	102,825	102,825	130,325	102,825	102,825	102,825	102,825	102,825	102,825	102,825	102,825	102,805	1,261,380
Community healthcare	176,281	176,281	176,281	426,281	176,281	176,281	176,281	176,281	176,281	176,281	176,281	175,787	2,364,878
Non-operating	222,881	219,000	219,000	219,000	499,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	2,871,881
Library operating	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,461	27,479	329,550
Facility expenses	58,230	26,230	26,230	26,730	26,230	31,230	26,730	30,230	26,230	26,730	26,230	26,230	357,260
Prop. G expenses	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
<b>Total Expenses</b>	<b>589,428</b>	<b>553,547</b>	<b>581,047</b>	<b>804,047</b>	<b>793,547</b>	<b>553,547</b>	<b>554,047</b>	<b>557,547</b>	<b>553,547</b>	<b>554,047</b>	<b>553,547</b>	<b>553,051</b>	<b>7,205,949</b>
<b>NET INCOME</b>	<b>\$ (82,965)</b>	<b>\$ 241,916</b>	<b>\$ (74,584)</b>	<b>\$ (297,584)</b>	<b>\$ (287,084)</b>	<b>\$ (52,084)</b>	<b>\$ (47,584)</b>	<b>\$ (51,084)</b>	<b>\$ (47,084)</b>	<b>\$ (47,584)</b>	<b>\$ (47,084)</b>	<b>\$ (46,592)</b>	<b>\$ (839,397)</b>

**RECONCILIATION OF NON-CASH ADJUSTMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2015**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>NET INCOME</b>	<b>\$ (82,965)</b>	<b>\$ 241,916</b>	<b>\$ (74,584)</b>	<b>\$ (297,584)</b>	<b>\$ (287,084)</b>	<b>\$ (52,084)</b>	<b>\$ (47,584)</b>	<b>\$ (51,084)</b>	<b>\$ (47,084)</b>	<b>\$ (47,584)</b>	<b>\$ (47,084)</b>	<b>\$ (46,592)</b>	<b>\$ (839,397)</b>
<b>EXPENSES:</b>													
Add-back depreciation	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	10,725	128,700
Add-back contin. reserve	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	187,500	2,250,000
Add-back Cogen int/amt	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000
<b>Total Expenses</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>198,225</b>	<b>2,378,700</b>
<b>ADJUSTED NET INCOME</b>	<b>\$ 115,260</b>	<b>\$ 440,141</b>	<b>\$ 123,641</b>	<b>\$ (99,359)</b>	<b>\$ (88,859)</b>	<b>\$ 146,141</b>	<b>\$ 150,641</b>	<b>\$ 147,141</b>	<b>\$ 151,141</b>	<b>\$ 150,641</b>	<b>\$ 151,141</b>	<b>\$ 151,633</b>	<b>\$ 1,539,303</b>