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**MEMORANDUM**

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**TO:** BOARD OF DIRECTORS  
**FROM:** TOM SAIZ, CFO  
**SUBJECT:** FY 2016/2017 BUDGET  
**DATE:** JUNE 17, 2016  
**CC:** FILE

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The District's budget for the fiscal year ending June 30, 2017 (FY2016/2017) is attached. We continue to make efforts to cut costs when opportunities are favorable. Most line items on this FY2016/2017 budget are fairly comparable for routine items compared to the current FY2015/2016 revised budget.

The following are highlights of the more significant items for your review:

- Property tax revenue has been budgeted to increase 4.00% and 5.0% for the General Fund and Debt Service Funds, respectively. This increase is based on current trending and a review of local and regional property valuation activity. Redevelopment receipts will continue to be un-budgeted as the amounts vary widely and are difficult to estimate.
- Grant income represents the first 50% estimate for the Self Generating Incentive Program. This program relates to the cogeneration gas turbine installed at the Hospital and once received will be paid over to Sharp Grossmont Hospital under the terms of our agreement with Sharp for the cogeneration lease.
- The administrative budget for the current year (FY15/16) includes \$500,000 for a one-time pension payment to CalPERS. The FY16/17 budget, once adjusted for this one-time payment, reflects a decrease of approximately \$92,000 or 7.13%.
- The community healthcare budget reflects a decrease of approximately \$200,000 or 7.78% for community healthcare grants and sponsorships, in accordance with the FY2016/2017 Board Adopted Grants Policy.
- The non-operating budget includes costs for a regular November general election. It also includes \$2,250,000 in the Board contingency reserve cash funding which is the same as the current FY15/16 budget and \$300,000 for the SGIP payment to Sharp Grossmont Hospital. This budget line item reflects an increase of approximately \$428,000 or 9.51% for FY16/17.
- The library budget reflects an increase of approximately \$7,000 or 2.03%. New computers estimated at \$25,000 for the library are included in the facilities budget.

- The facilities budget reflects an increase of approximately \$39,000 or 10.16%.
- The Prop. G budget reflects an increase of approximately \$4,154,000 or 48.24%. This includes \$2,275,000 of bond principal and \$10,414,520 of bond interest payments. The budget also includes the Project Liaison working 20 hours per week of fully reimbursable time and includes approximately \$72,000 of non-reimbursable legal fees.
- Included in the FY2016/2017 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, 2017



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## EXECUTIVE SUMMARY

Enclosed is the budget for Grossmont Healthcare District (the "District") for the fiscal year ending June 30, 2016. 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.

### REVENUES

Property taxes-general are received from the San Diego County Tax Collector's office. Projected revenue assumes a 4.0% increase in property tax revenue from FY15/16 actual receipts collected through mid-June. 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, however this may change in August 2015. The assessment is adopted each year in August by the Board until the bonds are paid in full. Projected revenue assumes a 5.0% increase in property tax revenue.

Grant income represents an estimate for the Self Generating Incentive Program (SGIP). This program relates to the cogeneration gas turbine installed at the Hospital and once received will be paid over to Sharp Grossmont Hospital under the terms of our agreement with Sharp for the cogeneration lease.

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.

Cogen SGIP payments includes the payment of grant revenues received from the State of California under the Self Generating Incentive program to Sharp Grossmont Hospital under the terms of our agreement with Sharp for the cogeneration lease.

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 2034.

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 2034.

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.

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, 2017**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>REVENUES:</b>													
Property taxes-general	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 6,708,120
Property taxes - debt service	815,000	815,000	815,000	815,000	815,000	815,000	815,000	815,000	815,000	815,000	815,000	815,000	9,780,000
Cogen lease revenue	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	2,195,736
Grant income	-	-	-	300,000	-	-	-	-	-	-	-	-	300,000
Interest income - general	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
Interest income - bond funds	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
<b>Total Revenues</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>1,873,238</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>1,573,238</b>	<b>19,178,856</b>
<b>EXPENSES:</b>													
Administrative	97,353	97,353	127,353	97,353	97,353	97,353	97,353	97,353	97,353	97,353	97,353	97,353	1,198,216
Community healthcare	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	196,874	2,367,900
Non-operating	374,478	374,478	374,478	799,477	374,478	374,478	374,478	374,478	374,477	374,477	374,477	374,477	4,823,728
Library operating	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	28,023	335,638
Facility expenses	77,625	43,056	30,555	30,555	31,605	30,555	29,455	29,455	29,455	29,455	29,455	29,455	420,880
Prop. G expenses	7,511,110	6,250	6,250	6,250	6,250	6,250	5,190,910	6,250	6,250	6,250	6,250	6,250	12,764,520
<b>Total Expenses</b>	<b>8,290,896</b>	<b>7,46,487</b>	<b>763,966</b>	<b>1,158,966</b>	<b>735,017</b>	<b>733,987</b>	<b>5,917,527</b>	<b>732,867</b>	<b>732,866</b>	<b>732,866</b>	<b>732,866</b>	<b>732,412</b>	<b>22,010,863</b>
<b>NET INCOME</b>	<b>\$ (6,717,658)</b>	<b>\$ 826,771</b>	<b>\$ 809,272</b>	<b>\$ 714,272</b>	<b>\$ 838,221</b>	<b>\$ 839,271</b>	<b>\$ (4,344,289)</b>	<b>\$ 840,371</b>	<b>\$ 840,372</b>	<b>\$ 840,372</b>	<b>\$ 840,372</b>	<b>\$ 840,826</b>	<b>\$ (2,831,827)</b>

**RECONCILIATION OF NON-CASH ADJUSTMENTS  
FOR THE YEAR ENDING JUNE 30, 2017**

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>NET INCOME</b>	<b>\$ (6,717,658)</b>	<b>\$ 826,771</b>	<b>\$ 809,272</b>	<b>\$ 714,272</b>	<b>\$ 838,221</b>	<b>\$ 839,271</b>	<b>\$ (4,344,289)</b>	<b>\$ 840,371</b>	<b>\$ 840,372</b>	<b>\$ 840,372</b>	<b>\$ 840,372</b>	<b>\$ 840,826</b>	<b>\$ (2,831,827)</b>
<b>EXPENSES:</b>													
Add-back depreciation	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	156,000
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	18,141	17,854	17,566	17,278	16,990	16,701	16,411	16,121	15,830	15,539	15,247	14,955	198,633
Add-back Cogen lease payments	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	1,980,000
Add-back debt service transfers	1,454,760	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	1,454,760	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	2,909,520
Deduct Cogen lease revenue	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(2,195,736)
<b>Total Expenses</b>	<b>1,655,423</b>	<b>200,376</b>	<b>200,088</b>	<b>199,800</b>	<b>199,512</b>	<b>199,223</b>	<b>1,653,693</b>	<b>198,643</b>	<b>198,352</b>	<b>198,061</b>	<b>197,769</b>	<b>197,477</b>	<b>5,298,417</b>
<b>ADJUSTED NET INCOME</b>	<b>\$ (5,062,235)</b>	<b>\$ 1,027,147</b>	<b>\$ 609,184</b>	<b>\$ 514,472</b>	<b>\$ 1,037,733</b>	<b>\$ 1,038,494</b>	<b>\$ (2,690,596)</b>	<b>\$ 1,039,014</b>	<b>\$ 1,038,724</b>	<b>\$ 1,038,433</b>	<b>\$ 1,038,141</b>	<b>\$ 1,038,303</b>	<b>\$ 2,466,590</b>

GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF ADMINISTRATIVE EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Administrative Expenses:</b>													
Salaries & stipends	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 47,283	\$ 567,966
Fringe benefits net of OFEB reimbursement	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	18,750	225,000
Travel, seminars and workshops	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Dues, meetings, memberships and outreach	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	35,820
Annual independent audit	-	30,000	-	-	-	-	-	-	-	-	-	-	30,000
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	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Office supplies	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Equipment rental	450	450	450	450	450	450	450	450	450	450	450	450	5,400
Advertising retainer fees	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	38,400
Advertising/publications	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
General community support	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
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	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
<b>Total Administrative Expenses</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 127,353</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 97,353</b>	<b>\$ 1,198,216</b>

GROSSMONT HEALTHCARE DISTRICT  
 SCHEDULE OF COMMUNITY HEALTHCARE EXPENSES - CASH BASIS  
 FOR THE YEAR ENDING JUNE 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Community healthcare:													
Community healthcare grants & sponsorships	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,200,000
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	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,337	100,000
Miscellaneous grants	-	-	-	-	-	-	-	-	-	-	-	-	-
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>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 197,366</b>	<b>\$ 196,874</b>	<b>\$ 2,367,900</b>

GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF NON-OPERATING EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Non-operating Expenses:</b>													
Election expense	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000
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	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Cogen interest and amortization	18,141	17,854	17,566	17,278	16,990	16,701	16,411	16,121	15,830	15,539	15,247	14,955	198,633
Cogen lease payments	164,836	165,124	165,411	165,699	165,988	166,277	166,567	166,857	167,147	167,438	167,730	168,022	1,987,096
Prop 1A state budget contingency reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Cogen SGIP payments	-	-	-	300,000	-	-	-	-	-	-	-	-	300,000
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>\$ 379,477</b>	<b>\$ 374,478</b>	<b>\$ 374,477</b>	<b>\$ 799,477</b>	<b>\$ 374,478</b>	<b>\$ 374,478</b>	<b>\$ 374,478</b>	<b>\$ 374,478</b>	<b>\$ 374,478</b>	<b>\$ 374,477</b>	<b>\$ 374,477</b>	<b>\$ 374,477</b>	<b>\$ 4,923,729</b>

GROSSMONT HEALTHCARE DISTRICT  
 SCHEDULE OF LIBRARY OPERATING EXPENSES - CASH BASIS  
 FOR THE YEAR ENDING JUNE 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Library Operating Expenses:													
Salaries	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 14,525	\$ 174,300
Fringe benefits	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835	5,835	70,020
Technology maintenance	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	2,108	25,296
Print resources	692	692	692	692	692	692	692	692	692	692	692	750	8,362
Electronic and AV resources	1,708	1,708	1,708	1,708	1,708	1,708	1,708	1,708	1,708	1,708	1,708	1,708	20,496
Professional memberships, meetings and travel	380	380	380	380	380	380	380	380	380	380	380	380	4,560
Equipment and equipment rental	667	667	667	667	667	667	667	667	667	667	667	667	8,004
Supplies & Miscellaneous	958	958	958	958	958	958	958	958	958	958	958	958	11,496
Services	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	13,104
<b>Total Library Operating Expenses</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 27,965</b>	<b>\$ 28,023</b>	<b>\$ 335,638</b>

GROSSMONT HEALTHCARE DISTRICT  
SCHEDULE OF FACILITIES EXPENSES - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Facility Expenses:													
Facility consultant fees	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Security	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Communications	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
Technology maintenance	3,000	3,000	3,000	3,000	3,000	3,000	1,900	1,900	1,900	1,900	1,900	1,900	32,400
Landscape maintenance	1,000	1,000	1,000	1,000	2,050	1,000	1,000	1,000	1,000	1,000	1,000	1,000	13,050
Janitorial	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175	26,100
Electricity	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	40,200
Water/sewer	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,200
Disposal services	230	230	230	230	230	230	230	230	230	230	230	230	2,760
Repairs and maintenance	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
Insurance	34,570	-	-	-	-	-	-	-	-	-	-	-	34,570
Capital asset purchases	12,500	12,500	-	-	-	-	-	-	-	-	-	-	37,500
Depreciation	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	156,000
<b>Total Facility Expenses</b>	<b>\$ 77,625</b>	<b>\$ 43,055</b>	<b>\$ 30,555</b>	<b>\$ 30,555</b>	<b>\$ 31,605</b>	<b>\$ 30,555</b>	<b>\$ 29,455</b>	<b>\$ 29,455</b>	<b>\$ 29,455</b>	<b>\$ 29,455</b>	<b>\$ 29,455</b>	<b>\$ 29,455</b>	<b>\$ 436,180</b>

GROSSMONT HEALTHCARE DISTRICT  
 SCHEDULE OF PROPOSITION G EXPENSES-CASH BASIS  
 FOR THE YEAR ENDING JUNE 30, 2017

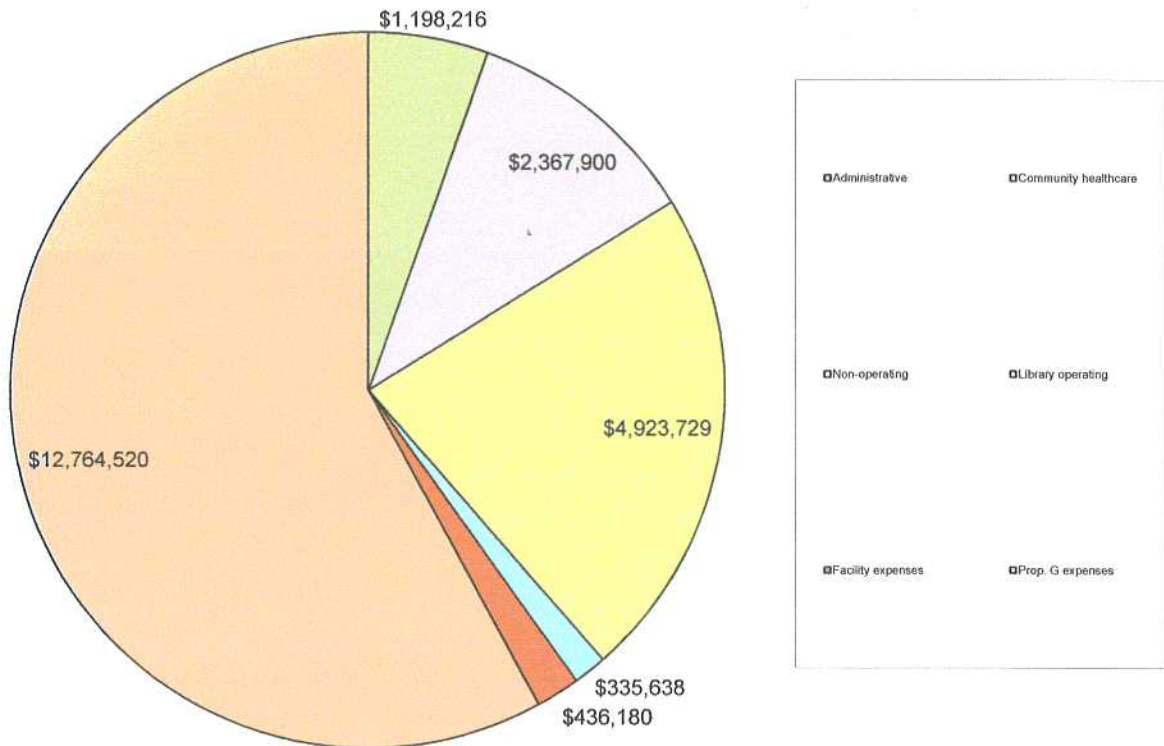
	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>Prop. G Expenses:</b>													
Bond principal payments	\$ 2,275,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,275,000
Bond interest payments	5,229,860	-	-	-	-	-	5,184,860	-	-	-	-	-	10,414,520
Liaison Manager (hourly temporary service)	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	110,400
Liaison Manager reimbursement	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(9,200)	(110,400)
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	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(180,000)
Other	250	250	250	250	250	250	250	250	250	250	250	250	3,000
<b>Total Prop. G expenses:</b>	<b>\$ 7,511,110</b>	<b>\$ 6,250</b>	<b>\$ 6,250</b>	<b>\$ 6,250</b>	<b>\$ 6,250</b>	<b>\$ 6,250</b>	<b>\$ 5,190,910</b>	<b>\$ 6,250</b>	<b>\$ 6,250</b>	<b>\$ 6,250</b>	<b>\$ 6,250</b>	<b>\$ 6,250</b>	<b>\$ 12,764,520</b>

GROSSMONT HEALTHCARE DISTRICT  
 SCHEDULE OF FULL-TIME EMPLOYEES & PUBLIC SALARY SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2017

Positions	Full-Time Equivalents	Budgeted Amount	Charged To	Annual Salary Range	PERS Retirement Eligible
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-\$65,000	Yes
Administrative/Communications Assistant	1.00		Administration	\$35,000-\$70,000	Yes
Office Clerk (2)	0.75		Administration	\$15,000-\$40,000	No
Elected Board Member Stipends (5)	5.00		Administration	\$0-\$6,000	No
Board Member Designee Stipends (3)	N/A		Administration	\$0-\$3,600	No
<b>Administration Sub-total</b>		<u>\$ 567,397</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	\$11,000-\$42,000	No
<b>Library Sub-total</b>		<u>\$ 174,300</u>			
<b>Total Full-time Positions</b>	<u>12.75</u>	<u>\$ 741,697</u>			

Note 1: Board designees meeting attendance fluctuates monthly

**Grossmont Healthcare District  
Fiscal Year 2016 - 2017  
Budget**



<u>Budget Classification</u>	<u>Total</u>
Administrative	\$ 1,198,216
Community healthcare	2,367,900
Non-operating	4,923,729
Library operating	335,638
Facility expenses	436,180
Prop. G expenses	12,764,520
	<u>\$ 22,026,183</u>

Note 1: Prop. G expenses include \$12,690,000 in debt service.

GROSSMONT HEALTHCARE DISTRICT  
BUDGETED STATEMENT OF REVENUES AND EXPENSES - GENERAL FUND - CASH BASIS  
FOR THE YEAR ENDING JUNE 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>REVENUES:</b>													
Property taxes-general	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 559,010	\$ 6,708,120
Cogen lease revenue	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	182,978	2,195,736
Grant income	-	-	-	300,000	-	-	-	-	-	-	-	-	300,000
Interest income - general	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
<b>Total Revenues</b>	<b>748,238</b>	<b>748,238</b>	<b>748,238</b>	<b>1,048,238</b>	<b>748,238</b>	<b>748,238</b>	<b>748,238</b>	<b>748,238</b>	<b>748,238</b>	<b>748,238</b>	<b>748,238</b>	<b>748,238</b>	<b>9,278,856</b>
<b>EXPENSES:</b>													
Administrative	97,353	97,353	127,353	97,353	97,353	97,353	97,353	97,353	97,353	97,353	97,353	97,353	1,198,216
Community healthcare	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	197,366	2,367,900
Non-operating	379,477	374,478	374,477	799,477	374,478	374,478	374,478	374,478	374,477	374,477	374,477	374,477	4,923,729
Library operating	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	27,965	28,023	335,638
Facility expenses	77,625	43,055	30,555	30,555	31,605	30,555	29,455	29,455	29,455	29,455	29,455	29,455	420,680
Prop. G expenses	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
<b>Total Expenses</b>	<b>766,036</b>	<b>746,467</b>	<b>763,966</b>	<b>1,158,966</b>	<b>735,017</b>	<b>733,967</b>	<b>732,867</b>	<b>732,867</b>	<b>732,866</b>	<b>732,866</b>	<b>732,866</b>	<b>732,866</b>	<b>9,321,163</b>
<b>NET INCOME</b>	<b>\$ (37,798)</b>	<b>\$ 1,771</b>	<b>\$ (15,728)</b>	<b>\$ (110,728)</b>	<b>\$ 13,221</b>	<b>\$ 14,271</b>	<b>\$ 15,371</b>	<b>\$ 15,371</b>	<b>\$ 15,372</b>	<b>\$ 15,372</b>	<b>\$ 15,372</b>	<b>\$ 15,826</b>	<b>\$ (42,307)</b>

RECONCILIATION OF NON-CASH ADJUSTMENTS  
FOR THE YEAR ENDING JUNE 30, 2017

	July	August	September	October	November	December	January	February	March	April	May	June	Total
<b>NET INCOME</b>	<b>\$ (37,798)</b>	<b>\$ 1,771</b>	<b>\$ (15,728)</b>	<b>\$ (110,728)</b>	<b>\$ 13,221</b>	<b>\$ 14,271</b>	<b>\$ 15,371</b>	<b>\$ 15,371</b>	<b>\$ 15,372</b>	<b>\$ 15,372</b>	<b>\$ 15,372</b>	<b>\$ 15,826</b>	<b>\$ (42,307)</b>
<b>EXPENSES:</b>													
Add-back depreciation	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	156,000
Deduct Cogen lease revenue	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(182,978)	(2,195,736)
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'l/amt	18,141	17,854	17,566	17,278	16,990	16,701	16,411	16,121	15,830	15,539	15,247	14,955	198,633
Add-back Cogen lease payment	164,836	165,124	165,411	165,699	165,988	166,277	166,567	166,857	167,147	167,438	167,730	168,022	1,997,096
<b>Total Expenses</b>	<b>200,499</b>	<b>200,500</b>	<b>200,499</b>	<b>200,499</b>	<b>200,500</b>	<b>200,500</b>	<b>200,500</b>	<b>200,500</b>	<b>200,499</b>	<b>200,499</b>	<b>200,499</b>	<b>200,499</b>	<b>2,405,993</b>
<b>ADJUSTED NET INCOME</b>	<b>\$ 162,701</b>	<b>\$ 202,271</b>	<b>\$ 184,771</b>	<b>\$ 89,771</b>	<b>\$ 213,721</b>	<b>\$ 214,771</b>	<b>\$ 215,871</b>	<b>\$ 215,871</b>	<b>\$ 215,871</b>	<b>\$ 215,871</b>	<b>\$ 215,871</b>	<b>\$ 216,325</b>	<b>\$ 2,363,686</b>