

GROSSMONT HEALTHCARE DISTRICT
OPERATING BUDGET
For The Fiscal Year Ending June 30, 2018



TABLE OF CONTENTS

| | | |
|----|-------------------------|------|
| I. | Executive Summary | i-vi |
|----|-------------------------|------|

STATEMENTS AND SCHEDULES

| | | |
|------|--|----|
| II. | Budgeted Statement of Revenues and Expenses..... | 1 |
| III. | Schedule of Administrative Expenses..... | 2 |
| IV. | Schedule of Community Healthcare Expenses | 3 |
| V. | Schedule of Non-operating Expenses | 4 |
| VI. | Schedule of Library Operating Expenses..... | 5 |
| VII | Schedule of Facility Expenses | 6 |
| VIII | Schedule of Proposition G Expenses..... | 7 |
| IX | Schedule of Full-Time Employees & Public Salary Schedule | 8 |
| X | Budget Expense Chart..... | 9 |
| XI | Budgeted Statement of Revenues and Expenses-General Fund. | 10 |

EXECUTIVE SUMMARY

Enclosed is the budget for Grossmont Healthcare District (the "District") for the fiscal year ending June 30, 2018. 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 an approximate 11% increase in property tax revenue from the FY16/17 budget. 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 \$23.52 per \$100,000. The assessment is adopted each year in August by the Board until the bonds are paid in full. Projected revenue assumes a 13% increase in property tax revenue from the FY16/17 budget.

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. Other income represents amounts reimbursed under the District's trust fund for prepaid retiree other post-employment benefits.

Cogen lease revenue represents the revenue recorded for the scheduled debt service (principal and interest) on the Cogen lease which is being paid by Grossmont Hospital Corporation/Sharp. The lease ends in June 2021.

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 (principal and interest) 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 from time to time.

EXPENSES

Administrative Expenses

Salaries and stipends include salaries for the Chief Executive Officer, Chief Financial Officer, Executive Assistant, Communications Specialist and two office clerks. 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.
- Workers' compensation insurance payments based on salaries.
- Vacation pay and life insurance for employees.

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

Dues, meetings and memberships 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 for general District legal services.

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

Office and janitorial 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.

Communications/advertising costs are for social media campaigns and marketing/public relations media costs.

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 health related 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 the lobby firm of 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 is associated with the financing of a state-of-the-art energy cogeneration facility 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 Grossmont Hospital under the terms of the District's 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 travel.

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

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

Services represent professional services on an as needed basis.

Facilities Expenses

Facilities consultant provides as-needed services for facilities maintenance and oversight.

Security includes costs for alarm monitoring, security support and conference center support 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 utilities.

Disposal services include costs for regular and special garbage and recycling 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 related useful lives.

Prop. G. Expenses

Bond principal payments represent scheduled Proposition G bond principal payments scheduled annually each July 15th. Bonds are outstanding through 2040.

Bond interest payments represent scheduled Proposition G bond interest payments scheduled annually every January 15th and July 15th. Bonds are outstanding through 2040.

Legal fees represent costs for administering contracts and related matters 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 FISCAL YEAR ENDING JUNE 30, 2018**

| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|-------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|-------------------|
| REVENUES: | | | | | | | | | | | | | |
| Property taxes - 1% | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 7,350,000 |
| Property taxes - debt service | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 1,132,075 | 13,584,900 |
| Cogen lease revenue | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,382 | 123,381 | 123,381 | 123,382 | 123,382 | 123,382 | 1,480,576 |
| Grant and other income | - | 200,000 | - | 100,000 | - | - | - | - | - | - | - | - | 300,000 |
| Interest income - general | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 90,000 |
| Interest income - bond funds | 10,000 | 10,000 | 10,000 | 10,000 | 7,500 | 7,500 | 7,500 | 7,500 | 5,000 | 5,000 | 5,000 | 5,000 | 90,000 |
| Total Revenues | 1,885,456 | 2,085,456 | 1,885,456 | 1,985,456 | 1,882,956 | 1,882,956 | 1,882,957 | 1,882,956 | 1,880,456 | 1,880,457 | 1,880,457 | 1,880,457 | 22,895,476 |
| EXPENSES: | | | | | | | | | | | | | |
| Administrative | 104,015 | 104,015 | 119,015 | 114,515 | 104,015 | 104,015 | 104,015 | 104,015 | 104,015 | 104,015 | 104,015 | 104,015 | 1,273,660 |
| Community healthcare | 202,366 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 3,370,700 |
| Non-operating | 326,881 | 313,881 | 313,881 | 413,881 | 313,881 | 313,881 | 313,882 | 317,381 | 313,881 | 313,882 | 313,882 | 313,882 | 3,883,076 |
| Library operating | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 350,364 |
| Facility expenses | 81,355 | 46,855 | 28,855 | 28,855 | 30,105 | 28,855 | 28,855 | 28,855 | 28,855 | 28,855 | 28,855 | 28,855 | 418,010 |
| Prop. G expenses | 7,789,909 | 250 | 250 | 250 | 250 | 250 | 5,120,327 | 250 | 250 | 250 | 250 | 250 | 12,892,736 |
| Total Expenses | 8,513,723 | 691,364 | 688,364 | 783,864 | 674,614 | 673,364 | 5,793,442 | 676,864 | 673,364 | 1,673,365 | 673,365 | 672,853 | 22,188,546 |
| NET INCOME | \$(6,628,267) | \$ 1,394,092 | \$ 1,197,092 | \$ 1,201,592 | \$ 1,208,342 | \$ 1,209,592 | \$(3,910,485) | \$ 1,206,092 | \$ 1,207,092 | \$ 207,092 | \$ 1,207,092 | \$ 1,207,604 | \$ 706,930 |

**RECONCILIATION OF NON-CASH ADJUSTMENTS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|-------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| NET INCOME | \$(6,628,267) | \$ 1,394,092 | \$ 1,197,092 | \$ 1,201,592 | \$ 1,208,342 | \$ 1,209,592 | \$(3,910,485) | \$ 1,206,092 | \$ 1,207,092 | \$ 207,092 | \$ 1,207,092 | \$ 1,207,604 | \$ 706,930 |
| EXPENSES: | | | | | | | | | | | | | |
| Add-back depreciation | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 138,000 |
| 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 | 9,887 | 9,889 | 9,491 | 9,293 | 9,094 | 8,895 | 8,696 | 8,496 | 8,296 | 8,096 | 7,895 | 7,694 | 105,522 |
| Add-back Cogen lease payments | 113,494 | 113,692 | 113,890 | 114,088 | 114,287 | 114,486 | 114,686 | 114,885 | 115,085 | 115,286 | 115,487 | 115,688 | 1,375,054 |
| Deduct Cogen lease revenue | (123,381) | (123,381) | (123,381) | (123,381) | (123,381) | (123,381) | (123,382) | (123,381) | (123,381) | (123,381) | (123,382) | (123,382) | (1,480,575) |
| Total Expenses | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,001 | 199,000 | 199,000 | 2,388,001 |
| ADJUSTED NET INCOME | \$(6,429,267) | \$ 1,593,092 | \$ 1,396,092 | \$ 1,400,592 | \$ 1,407,342 | \$ 1,408,592 | \$(3,711,485) | \$ 1,405,092 | \$ 1,406,092 | \$ 406,093 | \$ 1,406,092 | \$ 1,406,604 | \$ 3,094,931 |

GROSSMONT HEALTHCARE DISTRICT
 SCHEDULE OF ADMINISTRATIVE EXPENSES - CASH BASIS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018

| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Administrative Expenses: | | | | | | | | | | | | | |
| Salaries & stipends | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 49,020 | \$ 588,240 |
| Fringe benefits, net of OPEB | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 28,000 | 336,000 |
| Travel, seminars and workshops | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 9,000 |
| Dues, meetings and memberships | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 2,750 | 33,000 |
| Annual independent audit | - | - | 15,000 | 10,500 | - | - | - | - | - | - | - | - | 25,500 |
| General Counsel-general matters | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 | 4,700 | 56,400 |
| Board meeting expenses | 515 | 515 | 515 | 515 | 515 | 515 | 515 | 515 | 515 | 515 | 515 | 515 | 6,180 |
| Office and janitorial 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 | 995 | 995 | 995 | 995 | 995 | 995 | 995 | 995 | 995 | 995 | 995 | 995 | 11,940 |
| 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 |
| Communications/advertising | 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 | 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 |
| 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 | 8,335 | 100,000 |
| Other | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 18,000 |
| Total Administrative Expenses | \$104,015 | \$104,015 | \$119,015 | \$114,515 | \$104,015 | \$104,015 | \$104,015 | \$104,015 | \$104,015 | \$104,015 | \$104,015 | \$103,995 | \$1,273,660 |

GROSSMONT HEALTHCARE DISTRICT
 SCHEDULE OF COMMUNITY HEALTHCARE EXPENSES - CASH BASIS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018

| | 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 | - | - | - | - | - | - | - | - | - | 1,000,000 | - | - | 1,000,000 |
| Pre-award and post-award grant audits | 5,200 | - | - | - | - | - | - | - | - | - | - | - | 5,200 |
| 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 |
| Total Community Healthcare | \$ 202,366 | \$ 197,166 | \$ 197,166 | \$ 197,166 | \$ 197,166 | \$ 197,166 | \$ 197,166 | \$ 197,166 | \$ 197,166 | \$ 1,197,166 | \$ 197,166 | \$ 196,674 | \$ 3,370,700 |

GROSSMONT HEALTHCARE DISTRICT
 SCHEDULE OF NON-OPERATING EXPENSES - CASH BASIS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018

| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Non-operating Expenses: | | | | | | | | | | | | | |
| Election expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 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 | 9,000 | - | - | - | - | - | - | 3,500 | - | - | - | - | 12,500 |
| LAFCO | 4,000 | - | - | - | - | - | - | - | - | - | - | - | 4,000 |
| Cogen interest | 9,887 | 9,689 | 9,491 | 9,293 | 9,094 | 8,895 | 8,696 | 8,496 | 8,296 | 8,096 | 7,895 | 7,694 | 105,522 |
| Cogen lease payments | 113,494 | 113,692 | 113,890 | 114,088 | 114,287 | 114,486 | 114,686 | 114,885 | 115,085 | 115,286 | 115,487 | 115,688 | 1,375,054 |
| Prop 1A state budget contingency reserve | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cogen SGIP payments | - | - | - | 100,000 | - | - | - | - | - | - | - | - | 100,000 |
| 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 |
| Total Non-operating Expenses | \$ 326,881 | \$ 313,881 | \$ 313,881 | \$ 413,881 | \$ 313,881 | \$ 313,881 | \$ 313,882 | \$ 317,381 | \$ 313,881 | \$ 313,882 | \$ 313,882 | \$ 313,882 | \$ 3,883,076 |

GROSSMONT HEALTHCARE DISTRICT
 SCHEDULE OF LIBRARY OPERATING EXPENSES - CASH BASIS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018

| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Salaries | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 14,725 | \$ 176,700 |
| Fringe benefits | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 95,100 |
| Technology maintenance | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 21,996 |
| Print resources | 692 | 692 | 692 | 692 | 692 | 692 | 692 | 692 | 692 | 692 | 692 | 692 | 8,304 |
| Electronic and AV resources | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 1,415 | 16,980 |
| 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 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 6,600 |
| Services | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 12,120 |
| Total Library Operating Expenses | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 29,197 | \$ 350,364 |

GROSSMONT HEALTHCARE DISTRICT
 SCHEDULE OF FACILITIES EXPENSES - CASH BASIS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018

| | 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 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 26,400 |
| 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 | 4,750 | 4,750 | 4,750 | 4,750 | 4,750 | 4,750 | 4,750 | 4,750 | 4,750 | 4,750 | 4,750 | 4,750 | 57,000 |
| Landscape maintenance | 800 | 800 | 800 | 800 | 2,050 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 10,850 |
| 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 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| Water/sewer | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 6,000 |
| Disposal services | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 2,760 |
| Repairs and maintenance | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 18,000 |
| Insurance | 42,500 | - | - | - | - | - | - | - | - | - | - | - | 42,500 |
| Capital asset purchases | 10,000 | 18,000 | - | - | - | - | - | - | - | - | - | - | 28,000 |
| Depreciation | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 138,000 |
| Total Facility Expenses | \$ 81,355 | \$ 46,855 | \$ 28,855 | \$ 28,855 | \$ 30,105 | \$ 28,855 | \$ 28,855 | \$ 28,855 | \$ 28,855 | \$ 28,855 | \$ 28,855 | \$ 28,855 | \$ 418,010 |

GROSSMONT HEALTHCARE DISTRICT
 SCHEDULE OF PROPOSITION G EXPENSES-CASH BASIS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018

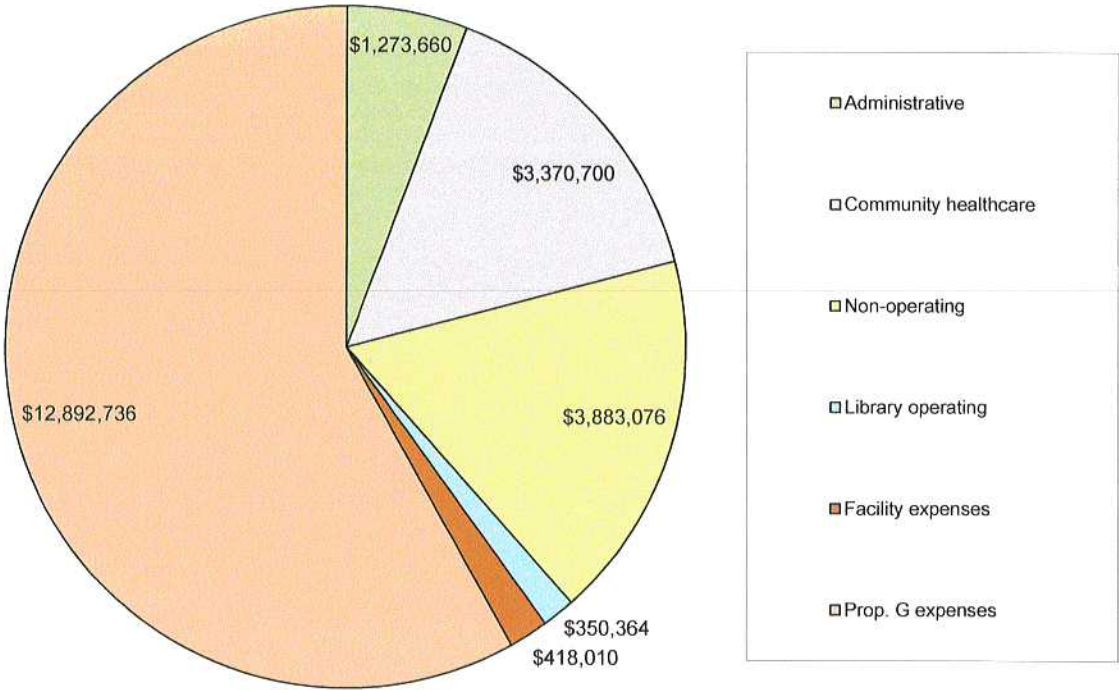
| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|--------------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------|---------------|---------------|---------------|---------------|----------------------|
| Prop. G Expenses: | | | | | | | | | | | | | |
| Bond principal payments | \$ 2,585,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,585,000 |
| Bond interest payments | 5,184,659 | - | - | - | - | - | 5,120,077 | - | - | - | - | - | 10,304,736 |
| Legal fees | 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 |
| Legal fees reimbursement | (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) |
| Other | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 |
| Total Prop. G expenses: | \$ 7,769,909 | \$ 250 | \$ 250 | \$ 250 | \$ 250 | \$ 250 | \$ 5,120,327 | \$ 250 | \$ 250 | \$ 250 | \$ 250 | \$ 250 | \$ 12,892,736 |

GROSSMONT HEALTHCARE DISTRICT
 SCHEDULE OF FULL-TIME EMPLOYEES & PUBLIC SALARY SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| Positions | FTE's | Budgeted Amount | Charged To | Time Base | Annual Salary Range | PERS Retirement Eligible |
|------------------------------------|--------------|--------------------|--------------------|------------|------------------------|--------------------------------|
| Chief Executive Officer | 1.00 | | Administration | bi-monthly | \$150,000-\$225,000 | Yes |
| Chief Financial Officer | 1.00 | | Administration | bi-monthly | \$125,000-\$200,000 | Yes |
| Executive Assistant | 1.00 | | Administration | bi-monthly | \$30,000-\$65,000 | Yes |
| Communications Specialist | 1.00 | | Administration | bi-monthly | \$42,000-\$76,000 | Yes |
| Office Clerk (2) | 0.75 | | Administration | hourly | \$15,000-\$40,000 | No |
| Elected Board Member Stipends (5) | 5.00 | | Administration | monthly | \$0-\$6,000 | No |
| Board Member Designee Stipends (3) | N/A | | Administration | monthly | \$0-\$3,600 | No |
| Administration Sub-total | | <u>\$ 588,240</u> | | | | |
| Library Director | 1.00 | | Library Operations | bi-monthly | \$62,000-\$92,000 | Yes |
| Full-time Library Assistant | 1.00 | | Library Operations | bi-monthly | \$32,000-\$52,000 | Yes |
| Part-time Library Assistants (3) | 1.00 | | Library Operations | hourly | \$11,000-\$42,000 | No |
| Library Sub-total | | <u>\$ 176,300</u> | | | | |
| Total Full-time Positions | <u>12.75</u> | <u>\$ 764,540</u> | | | | |

Note 1: Board designees meeting attendance fluctuates monthly

**Grossmont Healthcare District
Fiscal Year 2017 - 2018
Budget**



| <u>Budget Classification</u> | <u>Total</u> |
|------------------------------|----------------------|
| Administrative | \$ 1,273,660 |
| Community healthcare | 3,370,700 |
| Non-operating | 3,883,076 |
| Library operating | 350,364 |
| Facility expenses | 418,010 |
| Prop. G expenses | 12,892,736 |
| | <u>\$ 22,188,546</u> |

Note 1: Prop. G expenses include \$12,889,736 in debt service.

GROSSMONT HEALTHCARE DISTRICT
 BUDGETED STATEMENT OF REVENUES AND EXPENSES - GENERAL FUND - CASH BASIS
 FOR THE YEAR ENDING JUNE 30, 2018

| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|---------------------------|-----------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------|------------------|------------------|--------------------|
| REVENUES: | | | | | | | | | | | | | |
| Property taxes-general | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 612,500 | \$ 7,350,000 |
| Cogen lease revenue | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 123,381 | 1,480,572 |
| Grant income | - | 200,000 | - | 100,000 | - | - | - | - | - | - | - | - | 300,000 |
| Interest income - general | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 90,000 |
| Total Revenues | 743,381 | 943,381 | 743,381 | 843,381 | 743,381 | 743,381 | 743,381 | 743,381 | 743,381 | 743,381 | 743,381 | 743,381 | 9,220,572 |
| EXPENSES: | | | | | | | | | | | | | |
| Administrative | 104,015 | 104,015 | 119,015 | 114,515 | 104,015 | 104,015 | 104,015 | 104,015 | 104,015 | 104,015 | 104,015 | 103,995 | 1,273,660 |
| Community healthcare | 202,366 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 197,166 | 1,197,166 | 197,166 | 196,674 | 3,370,700 |
| Non-operating | 326,881 | 313,881 | 313,881 | 413,881 | 313,881 | 313,881 | 313,882 | 317,381 | 313,881 | 313,882 | 313,882 | 313,882 | 3,883,076 |
| Library operating | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 29,197 | 350,364 |
| Facility expenses | 81,355 | 46,855 | 28,855 | 28,855 | 30,105 | 28,855 | 28,855 | 28,855 | 28,855 | 28,855 | 28,855 | 28,855 | 418,010 |
| Prop. G expenses | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 |
| Total Expenses | 744,064 | 691,364 | 688,364 | 783,864 | 674,614 | 673,364 | 673,365 | 676,864 | 673,364 | 1,673,365 | 673,365 | 672,853 | 9,298,810 |
| NET INCOME | \$ (683) | \$ 252,017 | \$ 55,017 | \$ 59,517 | \$ 68,767 | \$ 70,017 | \$ 70,016 | \$ 66,517 | \$ 70,017 | \$ (929,984) | \$ 70,016 | \$ 70,528 | \$ (78,238) |

RECONCILIATION OF NON-CASH ADJUSTMENTS
 FOR THE YEAR ENDING JUNE 30, 2018

| | July | August | September | October | November | December | January | February | March | April | May | June | Total |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|
| NET INCOME | \$ (683) | \$ 252,017 | \$ 55,017 | \$ 59,517 | \$ 68,767 | \$ 70,017 | \$ 70,016 | \$ 66,517 | \$ 70,017 | \$ (929,984) | \$ 70,016 | \$ 70,528 | \$ (78,238) |
| EXPENSES: | | | | | | | | | | | | | |
| Add-back depreciation | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 | 138,000 |
| Deduct Cogen lease revenue | (123,381) | (123,381) | (123,381) | (123,381) | (123,381) | (123,381) | (123,382) | (123,381) | (123,381) | (123,382) | (123,382) | (123,382) | (1,480,576) |
| 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 | 9,887 | 9,689 | 9,491 | 9,293 | 9,094 | 8,895 | 8,696 | 8,496 | 8,296 | 8,096 | 7,895 | 7,694 | 105,522 |
| Add-back Cogen lease paymen | 113,494 | 113,692 | 113,890 | 114,088 | 114,287 | 114,486 | 114,686 | 114,885 | 115,085 | 115,286 | 115,487 | 115,688 | 1,375,054 |
| Total Expenses | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 199,000 | 2,388,000 |
| ADJUSTED NET INCOME | \$ 198,317 | \$ 451,017 | \$ 254,017 | \$ 258,517 | \$ 267,767 | \$ 269,017 | \$ 269,016 | \$ 265,517 | \$ 269,017 | \$ (730,984) | \$ 269,016 | \$ 269,528 | \$ 2,309,762 |