



AGENDA

**REGULAR MEETING OF THE FINANCE COMMITTEE
A COMMITTEE OF THE BOARD OF DIRECTORS**

Tuesday, June 30, 2026

2:30 PM

Administration Boardroom

600 N. Highland Springs Avenue, Banning, CA 92220

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2101. **Notification 48 hours prior to the meeting** will enable the Hospital to make reasonable arrangement to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

TAB

- I. Call to Order R. Rader
- II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Finance Committee of the Hospital Board of Directors on any matter under the subject jurisdiction of the Committee. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Committee Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the San Gorgonio Memorial Hospital Board of Directors, we want you to know that the Board/Committee acknowledges the comments or concerns that you direct to this Committee. While the Board/Committee may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the CEO, or other Administrative Executive personnel, to do further research and report back to the Board/Committee prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board/Committee wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board/Committee’s part; a response will be forthcoming.

OLD BUSINESS

- III. *** Proposed Action – Approval of Minutes** R. Rader
- May 26, 2026, regular meeting

A

NEW BUSINESS

- | | | | |
|-------|---|--------------|--------|
| IV. | CEO Report | C. Bjornberg | verbal |
| V. | * Proposed Action – Recommend Approval to Healthcare District Board <ul style="list-style-type: none">▪ May 2026 Financial Report (Unaudited)▪ ROLL CALL | R. Marshall | B |
| VI. | * Proposed Action – Recommend Approval to Hospital Board and the Healthcare District Board of the FYE 2027 Operating and Capital Budget <ul style="list-style-type: none">▪ ROLL CALL | R. Marshall | C |
| VII. | * Proposed Action – Recommend Approval to Healthcare District Board of the Final Expenditure of Measure A Funds for Capital Project Reimbursement <ul style="list-style-type: none">▪ ROLL CALL | R. Marshall | D |
| VIII. | Future Agenda Items | | |
| IX. | Next Meeting – July 28, 2026 @ 2:30 PM | | |
| X. | Adjournment | R. Rader | |

*** Requires Action**

In accordance with The Brown Act, Section 54957.5, all public records relating to an agenda item on this agenda are available for public inspection at the time the document is distributed to all, or a majority of all, members of the Committee. Such records shall be available at the Hospital office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Certification of Posting

I certify that on June 26, 2026, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Healthcare District - Finance Committee, and on the San Gorgonio Memorial Hospital website said time being at least 72 hours in advance of the regular meeting of the Finance Committee (*Government Code Section 54954.2*).

Executed at Banning, California, June 26, 2026



Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BOARD OF DIRECTORS

FINANCE COMMITTEE
May 26, 2026

The regular meeting of the San Gorgonio Memorial Healthcare District Board of Directors Finance Committee was held on Tuesday, May 26, 2026, in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Pat Brown, Susan DiBiasi, Ron Rader (C)

Excused: None

Required Staff: Michele Finney (CEO), Angie Brady (CNE), Daniel Heckathorne (Executive Director of Finance), John Peleuses (VP, Ancillary & Support Services), Ariel Whitley (Executive Assistant), Annah Karam (CHRO), Ryan Marshall (CFO)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Ron Rader called the meeting to order at 2:31 pm.	
Public Comment	No public comment.	
OLD BUSINESS		
Proposed Action - Approve Minutes April 28, 2026, regular meeting	Ron Rader asked for any changes or corrections to the minutes of the April 28, 2026, regular meeting. There were none.	The minutes of the April 28, 2026, regular meeting will stand correct as presented.
NEW BUSINESS		
CEO Report	No formal report.	
Proposed Action – Recommend Approval to the Healthcare District Board of Directors - Monthly Financial Report (Unaudited) – April 2026	<p>Ryan Marshall, CFO, reviewed the Unaudited April 2026 Finance Report.</p> <p>Items of note included:</p> <ul style="list-style-type: none"> • Inpatient Days and Adjusted Patient Days were significantly over budget. • Observation Count, Surgeries, and Deliveries, were notably under budget. • April’s statement included \$174,227 of Supplemental Funding revenues. <p>The financials show ongoing pressure with losses continuing but with</p>	M.S.C. (Brown/DiBiasi), the SGMHD Finance Committee voted to recommend approval of the Unaudited April 2026 Financial Report to the Healthcare District Board of Directors.

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
	clear volume strengths and targeted savings to improve the outlook. ROLL CALL: <table border="1" data-bbox="386 373 1211 443"> <tr> <td>Brown</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	Brown	Yes	DiBiasi	Yes	Rader	Yes	Motion carried.		
Brown	Yes	DiBiasi	Yes							
Rader	Yes	Motion carried.								
Proposed Action – Recommend Approval to the Healthcare District Board of Directors – Annual Liability Insurance Renewals with BETA	The Annual Insurance Renewals include: <ul style="list-style-type: none"> • Professional and General Liability • Directors and Officers Liability • Employment Practices Liability • Auto Liability • Workers’ Compensation ROLL CALL: <table border="1" data-bbox="386 779 1211 848"> <tr> <td>Brown</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	Brown	Yes	DiBiasi	Yes	Rader	Yes	Motion carried.		M.S.C. (DiBiasi/Brown), the SGMHD Finance Committee voted to recommend approval of the Annual Liability Insurance Renewals with BETA to the Healthcare District Board of Directors
Brown	Yes	DiBiasi	Yes							
Rader	Yes	Motion carried.								
Proposed Action – Recommend Approval to the Healthcare District Board of Directors – Annual Insurance Renewals – Property and Casualty Programs	Property and Casualty Programs include: <ul style="list-style-type: none"> • All Risk Property Coverage including Business Interruption Coverage, Flood Coverage (Earthquake Coverage excluded) • Boiler and Machinery • Pollution • Cyber, Excess Cyber • Cyber Boost • Deadly Weapon • Crime • Foundation Crime • Fiduciary Liability (renewed January 2026 for \$5,428) • Underground Storage Tanks Pollution (renewed March 2026 for \$1,269) ROLL CALL: <table border="1" data-bbox="386 1430 1211 1499"> <tr> <td>Brown</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	Brown	Yes	DiBiasi	Yes	Rader	Yes	Motion carried.		M.S.C. (Brown/DiBiasi), the SGMHD Finance Committee voted to recommend approval of the Annual Insurance Renewals - Property and Casualty Programs to the Healthcare District Board of Directors
Brown	Yes	DiBiasi	Yes							
Rader	Yes	Motion carried.								
Future Agenda Items	<ul style="list-style-type: none"> • FYE 27 Operating and Capital Budget 									
Next Meeting	The next regular Finance Committee meeting will be held on June 30, 2026 @ 2:30 pm.									
Adjournment	The meeting was adjourned at 3:35 pm.									

In accordance with The Brown Act, *Section 54957.5*, all reports, and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes respectfully submitted by Ariel Whitley, Executive Assistant

TAB B



**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA**

Unaudited Financial Statements

for

ELEVEN MONTHS ENDING MAY 31, 2026

FY 2026

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

Note: Because these reports are prepared for internal users only, they do not purport to conform to the principles contained in U.S. GAAP.

Certified by:

Daniel R. Heckathorne

Daniel R. Heckathorne

6/17/2026

Executive Director of Finance

San Gorgonio Memorial Hospital

Financial Report - Executive Summary – 06 17 26

For the Month of May 2026 and YTD Eleven Months Ended May 31, 2026 (Unaudited)

Unfavorable Variances Show as (Negatives)

Monthly Profit/Loss (EBIDA) Summary Positive (comparison to Budget)

INCOME STATEMENT - CURRENT MONTH	May 2025 ACTUAL	May 2026 ACTUAL	VARIANCE May 2026 TO May 2025	PERCENTAGE VARIANCE May 2026 TO May 2025	May 2026 BUDGET	VARIANCE May 2026 ACTUAL TO BUDGET	PERCENTAGE VARIANCE May 2026 ACTUAL TO BUDGET
NET INCOME	(1,349,896)	(1,227,850)	122,046	9.0%	(2,349,329)	1,121,479	47.7%
EBIDA	(2,673,560)	(1,138,842)	1,534,718	57.4%	(2,075,439)	936,597	45.1%

YTD Profit/Loss (EBIDA) Summary Positive (comparison to Budget)

INCOME STATEMENT - 11 MONTHS YTD	May 2025 YTD ACTUAL	May 2026 YTD ACTUAL	YTD VARIANCE May 2026 TO May 2025	PERCENTAGE YTD VARIANCE May 2026 TO May 2025	May 2026 YTD BUDGET	VARIANCE May 2026 YTD ACTUAL TO BUDGET	PERCENTAGE VARIANCE YTD May 2026 ACTUAL TO BUDGET
NET INCOME	(7,245,275)	(9,407,154)	(2,161,879)	-29.8%	(11,970,055)	2,562,901	21.4%
EBIDA	(7,526,934)	(8,572,800)	(1,045,866)	-13.9%	(10,800,348)	2,227,548	20.6%

Items of Note:

- Inpatient Days and Adjusted Patient Days were significantly over budget.
- Observation Count, Surgeries, and Deliveries were notably under budget
- May's statement included \$56,724 of Supplemental Funding revenues.
- Other Items of Note are outlined in the Extraordinary Items report.

Monthly Workloads – The following table illustrates the monthly Workload Units:

KEY WORKKLOAD UNITS - CURRENT MONTH	MAY 2025 ACTUAL	MAY 2026 ACTUAL	VARIANCE MAY 2026 TO MAY 2025	PER CENTAGE VARIANCE MAY 2026 TO MAY 2025	MAY 2026 BUDGET	VARIANCE MAY 2026 ACTUAL TO BUDGET	PER CENTAGE VARIANCE MAY 2026 ACTUAL TO BUDGET
TOTAL ACUTE PATIENT DAYS	906	1,031	125	13.8%	867	164	18.9%
AVERAGE DAILY CENSUS	29.2	33.3	4.0	13.8%	28.0	5.3	18.9%
AVERAGE ACUTE LENGTH OF STAY	3.84	4.50	0.7	17.3%	3.85	0.65	16.8%
PATIENT DISCHARGES	236	229	(7)	-3.0%	225	4	1.8%
ADJUSTED PATIENT DAYS	2,263	2,504	241	10.6%	2,165	339	15.7%
OBSERVATION COUNT	409	307	(102)	-24.9%	382	(75)	-19.7%
TOTAL EMERGENCY ROOM VISITS	3,654	3,614	(40)	-1.1%	3,593	21	0.6%
AVERAGE EMERGENCY VISITS PER DAY	117.9	116.6	(1.3)	-1.1%	115.9	1	0.6%
TOTAL SURGERIES (EXCLUDING G.I.'S)	120	89	(31)	-25.8%	98	(9)	-9.2%
DELIVERIES/BIRTHS	12	9	(3)	-25.0%	26	(17)	-65.4%
OUTPATIENT REGISTRATIONS (EXCLUDING EMERGENCY AND CLINIC)	474	581	107	22.6%	597	(16)	-2.7%
CASE MIX INDEX	1.7098	1.3526	(0.3572)	-20.9%	1.5868	(0.2342)	-14.8%

YTD Workloads – The following table illustrates the YTD Workload Units:

KEY WORKLOAD UNITS - YTD	MAY 2025 YTD ACTUAL	MAY 2026 YTD ACTUAL	VARIANCE MAY 2026 TO MAY 2025	PER CENTAGE VARIANCE MAY 2026 TO MAY 2025	MAY 2026 YTD BUDGET	VARIANCE MAY 2026 YTD ACTUAL TO BUDGET	PER CENTAGE VARIANCE YTD MAY 2026 ACTUAL TO BUDGET
TOTAL ACUTE PATIENT DAYS	8,744	9,566	822	9.4%	9,690	(124)	-1.3%
AVERAGE DAILY CENSUS	26.1	28.6	2.5	9.4%	28.9	(0.4)	-1.3%
AVERAGE ACUTE LENGTH OF STAY	3.94	3.82	(0.1)	-3.1%	3.87	(0.05)	-1.3%
PATIENT DISCHARGES	2,217	2,503	286	12.9%	2,502	1	0.0%
ADJUSTED PATIENT DAYS	22,890	25,234	2,344	10.2%	24,378	856	3.5%
OBSERVATION COUNT	4,145	4,204	59	1.4%	4,328	(124)	-2.9%
TOTAL EMERGENCY ROOM VISITS	39,131	39,443	312	0.8%	40,702	(1,259)	-3.1%
AVERAGE EMERGENCY VISITS PER DAY	116.8	117.7	0.9	0.8%	121.5	(4)	-3.1%
TOTAL SURGERIES (EXCLUDING G.I.'S)	1,107	980	(127)	-11.5%	1,076	(96)	-8.9%
DELIVERIES/BIRTHS	88	133	45	51.1%	178	(45)	-25.3%
OUTPATIENT REGISTRATIONS (EXCLUDING EMERGENCY AND CLINIC)	5,433	6,179	746	13.7%	6,729	(550)	-8.2%
CASE MIX INDEX	1.5911	1.4815	(0.1096)	-6.9%	1.5868	(0.1053)	-6.6%

Monthly Patient Revenues Positive Variance

INCOME STATEMENT - CURRENT MONTH	May 2025 ACTUAL	May 2026 ACTUAL	VARIANCE May 2026 TO May 2025	PERCENTAGE VARIANCE May 2026 TO May 2025	May 2026 BUDGET	VARIANCE May 2026 ACTUAL TO BUDGET	PERCENTAGE VARIANCE May 2026 ACTUAL TO BUDGET
NET PATIENT REVENUE	6,750,298	6,909,700	159,402	2.4%	6,218,547	691,153	11.1%
GROSS REVENUE FROM PATIENT SERVICES	50,352,724	54,916,798	4,564,074	9.1%	49,564,854	5,351,944	10.8%
TOTAL INPATIENT REVENUE	20,158,006	22,559,128	2,401,122	11.9%	19,840,549	2,718,579	13.7%
TOTAL OUTPATIENT REVENUE	30,194,718	32,357,670	2,162,952	7.2%	29,724,305	2,633,365	8.9%
DEDUCTIONS FROM REVENUE	(43,602,426)	(48,007,098)	(4,404,672)	10.1%	(43,346,307)	(4,660,791)	10.8%

YTD Patient Revenues Positive Variance

INCOME STATEMENT - 11 MONTHS YTD	May 2025 YTD ACTUAL	May 2026 YTD ACTUAL	YTD VARIANCE May 2026 TO May 2025	PERCENTAGE YTD VARIANCE May 2026 TO May 2025	May 2026 YTD BUDGET	VARIANCE May 2026 YTD ACTUAL TO BUDGET	PERCENTAGE VARIANCE YTD May 2026 ACTUAL TO BUDGET
NET PATIENT REVENUE	62,064,587	66,840,527	4,775,940	7.7%	66,309,224	531,303	0.8%
GROSS REVENUE FROM PATIENT SERVICES	506,232,651	561,622,861	55,390,210	10.9%	554,341,516	7,281,345	1.3%
TOTAL INPATIENT REVENUE	192,675,020	212,765,547	20,090,527	10.4%	220,179,122	(7,413,575)	-3.4%
TOTAL OUTPATIENT REVENUE	313,557,631	348,857,314	35,299,683	11.3%	334,162,394	14,694,920	4.4%
DEDUCTIONS FROM REVENUE	(444,168,064)	(494,782,334)	(50,614,270)	11.4%	(488,032,292)	(6,750,042)	1.4%

Monthly Total Operating Revenues Positive Variance

INCOME STATEMENT - CURRENT MONTH	May 2025 ACTUAL	May 2026 ACTUAL	VARIANCE May 2026 TO May 2025	PERCENTAGE VARIANCE May 2026 TO May 2025	May 2026 BUDGET	VARIANCE May 2026 ACTUAL TO BUDGET	PERCENTAGE VARIANCE May 2026 ACTUAL TO BUDGET
NET OPERATING REVENUE	7,289,050	7,534,639	245,589	3.4%	7,116,894	417,745	5.9%
NET PATIENT REVENUE	6,750,298	6,909,700	159,402	2.4%	6,218,547	691,153	11.1%
OTHER OPERATING REVENUE	538,752	624,939	86,187	16.0%	898,347	(273,408)	-30.4%

YTD Total Operating Revenues Negative Variance

INCOME STATEMENT - 11 MONTHS YTD	May 2025 YTD ACTUAL	May 2026 YTD ACTUAL	YTD VARIANCE May 2026 TO May 2025	PERCENTAGE YTD VARIANCE May 2026 TO May 2025	May 2026 YTD BUDGET	VARIANCE May 2026 YTD ACTUAL TO BUDGET	PERCENTAGE VARIANCE YTD May 2026 ACTUAL TO BUDGET
NET OPERATING REVENUE	89,749,389	91,511,627	1,762,238	2.0%	91,679,845	(168,218)	-0.2%
NET PATIENT REVENUE	62,064,587	66,840,527	4,775,940	7.7%	66,309,224	531,303	0.8%
OTHER OPERATING REVENUE	27,684,802	24,671,100	(3,013,702)	-10.9%	25,370,621	(699,521)	-2.8%

Monthly Operating Expenses Positive Variance

INCOME STATEMENT - CURRENT MONTH	May 2025 ACTUAL	May 2026 ACTUAL	VARIANCE May 2026 TO May 2025	PERCENTAGE VARIANCE May 2026 TO May 2025	May 2026 BUDGET	VARIANCE May 2026 ACTUAL TO BUDGET	PERCENTAGE VARIANCE May 2026 ACTUAL TO BUDGET
TOTAL OPERATING EXPENSE	9,962,610	8,673,481	1,289,129	12.9%	9,192,333	518,852	5.6%
TOTAL LABOR EXPENSE	5,386,002	5,205,326	180,676	3.4%	5,401,753	196,427	3.6%
WAGES	4,092,613	3,807,429	285,184	7.0%	4,289,055	481,626	11.2%
EMPLOYEE BENEFITS	786,316	863,551	(77,235)	-9.8%	881,837	18,286	2.1%
CONTRACT LABOR	507,073	534,346	(27,273)	-5.4%	230,861	(303,485)	-131.5%
PHYSICIAN FEES	1,972,844	574,819	1,398,025	70.9%	828,953	254,134	30.7%
PURCHASED SERVICES	1,157,233	1,482,524	(325,291)	-28.1%	1,118,198	(364,326)	-32.6%
SUPPLY EXPENSE	1,146,603	858,466	288,137	25.1%	1,228,920	370,454	30.1%
UTILITIES	49,889	102,647	(52,758)	-105.8%	116,695	14,048	12.0%
REPAIRS AND MAINTENANCE	(50,150)	46,176	(96,326)	192.1%	92,586	46,410	50.1%
INSURANCE	97,854	200,004	(102,150)	-104.4%	170,347	(29,657)	-17.4%
OTHER EXPENSES	110,816	171,088	(60,272)	-54.4%	153,251	(17,837)	-11.6%
LEASE AND RENTALS	91,519	32,431	59,088	64.6%	81,630	49,199	60.3%

Monthly Expense Items of Note: 1) Total Labor costs, after adjustment for Tenet executive labor cost were \$122K (2.3%) under budget, while Adjusted Patient Days were 15.7% over budget; 2) Legal Fees were under budget by \$15K, but was offset by the final \$145K accrual expense for the Line of Credit legal fees from Snell & Wilmer; 3) Physician Fees were \$254K under budget due to previous estimated accruals prior to finalization of Hospitalist contracts; 4) All other Purchased Services, Agreements, and Fees were collectively \$237K over budget which includes the impact of Tenet Staffing and Fee costs classed in this category, the Laundry/Linen costs were \$43K over budget and Allscripts/Guidehouse fees were \$37K higher than planned based on collections; 5) Supply Costs were \$370K under budget due to low isotope usage, medical supplies, and prostheses costs (\$99K, \$75K, and \$50K respectively), and in addition the Pharmacy drug costs were \$106K under budget including over \$69K of credits received; 6) Utilities, Repairs, Insurance, and Other Expenses were collectively \$10K over budget.

YTD Operating Expenses Positive Variance

INCOME STATEMENT - 11 MONTHS YTD	May 2025 YTD ACTUAL	May 2026 YTD ACTUAL	YTD VARIANCE May 2026 TO May 2025	PERCENTAGE YTD VARIANCE May 2026 TO May 2025	May 2026 YTD BUDGET	VARIANCE May 2026 YTD ACTUAL TO BUDGET	PERCENTAGE VARIANCE YTD May 2026 ACTUAL TO BUDGET
TOTAL OPERATING EXPENSE	97,276,323	100,084,427	(2,808,104)	-2.9%	102,480,193	2,395,766	2.3%
TOTAL LABOR EXPENSE	56,885,119	58,955,249	(2,070,130)	-3.6%	59,458,329	503,080	0.8%
WAGES	45,295,351	45,321,595	(26,244)	-0.1%	47,560,341	2,238,746	4.7%
EMPLOYEE BENEFITS	9,421,983	9,809,347	(387,364)	-4.1%	9,590,361	(218,986)	-2.3%
CONTRACT LABOR	2,167,785	3,824,307	(1,656,522)	-76.4%	2,307,627	(1,516,680)	-65.7%
PHYSICIAN FEES	7,349,918	8,181,699	(831,781)	-11.3%	9,118,483	936,784	10.3%
PURCHASED SERVICES	12,978,970	13,883,346	(904,376)	-7.0%	12,368,948	(1,514,398)	-12.2%
SUPPLY EXPENSE	12,089,747	11,647,152	442,595	3.7%	13,362,552	1,715,400	12.8%
UTILITIES	1,177,489	1,100,396	77,093	6.5%	1,252,927	152,531	12.2%
REPAIRS AND MAINTENANCE	1,076,819	875,048	201,771	18.7%	1,017,126	142,078	14.0%
INSURANCE	1,553,765	1,856,323	(302,558)	-19.5%	1,870,198	13,875	0.7%
OTHER EXPENSES	3,248,297	3,101,114	147,183	4.5%	3,133,700	32,586	1.0%
LEASE AND RENTALS	916,199	484,100	432,099	47.2%	897,930	413,830	46.1%

YTD Expense Items of Note Key items that impacted Expenses were: 1) Salaries, Wages, Benefits, and Contract Labor were collectively (adjusted for CEO & CNE costs which were transitioned to Tenet fees included in Purchased Services) under budget by \$129K (0.22%), while Adjusted Patient Days were 3.5% over budget; 2) Physician Fees were \$937K under budget; 3) Purchased Services were \$1.51M over budget, which included Legal Fees variance of \$534K, \$166K for Lab, \$310K for Laundry/Linen, and \$720K for Tenet staffing and management fees. The legal fees have been impacted by work on the Tenet Management and LOC agreements; 4) Supplies were under budget by \$1.72M (after the additional lab true-up expense of \$162K), including the lower prostheses cost variance of \$538K and Radioisotopes of \$876K due to the Nuclear Medicine scanner being out of service and the \$348K General Medical Supply variance, offset by Non-Medical Supply costs being over budget by \$186K; 5) Utilities, Repairs, Insurance and Other Expenses were collectively \$341K under budget, and 6) Lease and Rental Expense was \$414K under budget, however is partially offset by Lease AM (Interest) Expense being \$397K over budget due to booking in accordance with GASB Lease stipulations.

Monthly Non-Operating Revenue, Depreciation, & Interest Expense Net \$185K Positive Variance

INCOME STATEMENT - CURRENT MONTH	May 2025 ACTUAL	May 2026 ACTUAL	VARIANCE May 2026 TO May 2025	PERCENTAGE VARIANCE May 2026 TO May 2025	May 2026 BUDGET	VARIANCE May 2026 ACTUAL TO BUDGET	PERCENTAGE VARIANCE May 2026 ACTUAL TO BUDGET
TOTAL NON-OPERATING REVENUE & EXPENSE	1,916,846	995,056	(921,790)	-48.1%	770,613	224,443	29.1%
OTHER NON-OPERATING REVENUE	183,513	348,647	165,134	90.0%	124,204	224,443	180.7%
NON-OPERATING INTEREST INCOME	70,984	58,353	(12,631)	-17.8%	84,204	(25,851)	-30.7%
NON-OPERATING DONATIONS/GAIN ON SALE	112,529	290,294	177,765	158.0%	40,000	250,294	625.7%
NON-OPERATING TAX REVENUE	1,733,333	646,409	(1,086,924)	-62.7%	646,409	0	0.0%
EXTRAORDINARY REVENUE	0	0	0	0.0%	0	0	0.0%
TOTAL INTEREST & DEPRECIATION	593,182	1,084,064	(490,882)	-82.8%	1,044,503	(39,561)	-3.8%
DEPRECIATION	458,336	480,260	(21,924)	-4.8%	520,892	40,632	7.8%
INTEREST	134,846	603,804	(468,958)	-347.8%	523,611	(80,193)	-15.3%

YTD Non-Operating Revenue, Depreciation, & Interest Expense Net \$335K Positive Variance

INCOME STATEMENT - 11 MONTHS YTD	May 2025 YTD ACTUAL	May 2026 YTD ACTUAL	YTD VARIANCE May 2026 TO May 2025	PERCENTAGE YTD VARIANCE May 2026 TO May 2025	May 2026 YTD BUDGET	VARIANCE May 2026 YTD ACTUAL TO BUDGET	PERCENTAGE VARIANCE YTD May 2026 ACTUAL TO BUDGET
TOTAL NON-OPERATING REVENUE & EXPENSE	11,135,356	10,345,892	(789,464)	-7.1%	10,097,206	248,686	2.5%
OTHER NON-OPERATING REVENUE	3,180,576	3,118,464	(62,112)	-2.0%	2,986,707	131,757	4.4%
NON-OPERATING INTEREST INCOME	1,010,651	702,440	(308,211)	-30.5%	926,244	(223,804)	-24.2%
NON-OPERATING DONATIONS/GAIN ON SALE	2,169,925	2,416,024	246,099	11.3%	2,060,463	355,561	17.3%
NON-OPERATING TAX REVENUE	7,616,676	7,110,499	(506,177)	-6.6%	7,110,499	0	0.0%
EXTRAORDINARY REVENUE	338,104	116,929	(221,175)	-65.4%	0	116,929	0.0%
			0				
TOTAL INTEREST & DEPRECIATION	10,853,697	11,180,246	(326,549)	-3.0%	11,266,913	86,667	0.8%
DEPRECIATION	4,831,662	5,190,512	(358,850)	-7.4%	5,507,192	316,680	5.8%
INTEREST	6,022,035	5,989,734	32,301	0.5%	5,759,721	(230,013)	-4.0%

Balance Sheet/Cash Flow

Patient cash collections in May were \$6.26M compared to \$6.24M in April, \$5.80M in March, and \$6.13M in February. Gross Accounts Receivable Days for May were 58.1 compared to 54.3 in April, 55.6 in March, and 55.3 in February.

May's Operating Cash balance was \$5.52M compared to \$5.61M in April, \$6.46M in March, and \$5.87M in February. Accounts Payable for May was \$13.04M compared to \$13.72M in April, \$13.70M in March and \$13.25M in February. May's A/P days were 107 compared to 118 in April, 117 in March, and 113 in February.. The Line of Credit principal balance, now with Tenet Healthcare, was \$15.00M as of May 31.

Other key changes in the Balance Sheet included 1) Normal changes to Taxes Receivable including the continuation of semi-annual property tax receipts; and 2) Borrowing \$2,838,805 from the Tenet Line of Credit (to maximum limit of \$15M).

Positive takeaways:

- 1) Workload volumes, i.e., Patient Days and Adjusted Patient Days were strong compared to budget and compared to May, 2025.
- 2) Operating Expenses after unusual items were \$80K under budget.

Negative/Challenging takeaways:

- 1) Cash balances continue to remain tight and we continue to aggressively seek final resolution of the 3rd Quarter ERC funds that are waiting completion of the IRS audit process.
- 2) Although the overall financial performance is improving, Current Month and YTD EBIDA's are still falling significantly short of what will be needed for financial success. The new FY 2027 Budget will include numerous items which will address these issues.

A	B	N	O	AP	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL - BANNING, CA															05/31/26
2																
3		FYE 21/22	FYE 22/23	FYE 23/24	FYE 24/25	FYE 25/26	FYE 25/26	FYE 25/26	FYE 25/26	FYE 25/26	FYE 25/26	FYE 25/26	FYE 25/26	FYE 25/26	FYE 25/26	FYE 25/26
4		12	12	12	12	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
5		MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.											
6	Gross Patient Revenue															
7	Inpatient Revenue	\$ 16,603,390	\$ 14,171,780	\$ 14,394,934	\$ 17,450,067	\$ 18,818,009	\$ 17,662,082	\$ 15,582,506	\$16,631,194	\$18,194,549	\$21,401,854	\$20,845,254	\$19,088,197	\$21,120,574	\$20,862,200	\$22,559,128
8	Inpatient Psych/Rehab Revenue	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Outpatient Revenue	20,932,075	25,575,741	27,197,604	28,549,917	31,161,777	31,890,150	31,354,337	33,420,037	29,275,357	32,130,813	33,405,997	31,081,773	32,529,362	30,250,041	32,357,670
10	Long Term Care Revenue	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Home Health Revenue	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Total Gross Patient Revenue	37,535,465	39,747,521	41,692,538	45,999,984	49,979,786	49,552,232	46,936,843	50,051,231	47,469,906	53,532,667	54,251,251	50,169,970	53,649,936	51,112,241	54,916,798
13																
14	Deductions From Revenue															
15	Discounts and Allowances	(31,267,149)	(33,545,205)	(35,678,219)	(39,128,491)	(42,822,943)	(42,231,759)	(40,139,373)	(43,304,970)	(40,891,041)	(45,663,804)	(46,316,545)	(42,989,198)	(46,023,126)	(43,733,188)	(46,750,451)
16	Bad Debt Expense	(1,045,570)	(1,047,941)	(884,929)	(1,083,498)	(1,144,928)	(1,066,874)	(1,032,730)	(1,113,578)	(1,028,511)	(1,185,865)	(1,193,549)	(1,103,317)	(1,208,235)	(1,087,245)	(1,164,782)
17	GI HMO Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Charity Care	(136,947)	(97,443)	(54,157)	(94,415)	(112,535)	(187,753)	(340,661)	(68,039)	(53,607)	(129,297)	(256,608)	(79,577)	(99,522)	(166,858)	(91,865)
19	Total Deductions From Revenue	(32,449,666)	(34,690,589)	(36,617,305)	(40,306,404)	(44,080,406)	(43,486,386)	(41,512,764)	(44,486,587)	(41,973,159)	(46,978,966)	(47,766,702)	(44,172,092)	(47,330,883)	(44,987,291)	(48,007,998)
20		-86.5%	-87.3%	-88.0%	-87.6%	-88.2%	-87.8%	-88.4%	-88.9%	-88.4%	-88.0%	-88.0%	-88.0%	-88.2%	-88.0%	-87.4%
21	Net Patient Revenue	5,085,799	5,056,932	4,975,233	5,693,580	5,899,380	6,065,846	5,424,079	5,564,644	5,496,747	6,553,701	6,484,549	5,997,878	6,319,053	6,124,950	6,909,700
22																
23	Non-Patient Revenues															
24	Supplemental Revenues	501,407	941,881	1,994,148	1,767,021	47,902	0	438,116	1,342,112	292,249	9,718,955	2,895,006	190,968	1,369,475	174,227	56,799
25	Grants & Other Op Revenues	725,066	986,421	341,356	195,412	214,525	252,974	255,151	409,534	245,355	284,870	138,082	272,131	219,102	210,087	60,606
26	Clinic Net Revenues	0	0	-	-	0	0	0	0	0	0	0	0	0	0	0
27	Tax Subsidies Measure D/H	229,405	213,402	242,508	231,175	256,318	256,318	256,318	201,983	242,734	242,734	242,734	242,734	242,734	242,734	242,734
28	Tax Subsidies Prop 13	146,104	189,707	218,100	240,726	278,062	278,062	278,062	225,013	264,800	264,800	264,800	264,800	264,800	264,800	264,800
29	Tax Subsidies County Suplmtl Funds	25,561	2,308	13,938	-	0	0	0	0	0	0	0	0	0	0	0
30	Non-Patient Revenues	1,627,542	2,333,719	2,810,051	2,434,334	796,807	787,354	1,227,647	2,178,642	1,045,138	10,511,359	3,540,622	970,633	2,096,111	891,848	624,939
31																
32	Total Operating Revenue	6,713,341	7,390,651	7,785,284	8,127,914	6,696,187	6,853,200	6,651,726	7,743,286	6,541,885	17,065,060	10,025,171	6,968,511	8,415,164	7,016,798	7,534,639
33																
34	Operating Expenses															
35	Salaries and Wages	3,420,974	3,634,721	3,922,586	4,073,968	4,088,991	4,144,921	3,819,046	4,003,675	3,896,646	4,178,157	5,466,160	3,770,966	4,214,862	3,930,742	3,807,429
36	Fringe Benefits	830,599	938,301	816,313	854,537	927,259	901,788	883,246	880,453	858,919	883,761	1,044,919	711,759	934,809	918,883	863,551
37	Contract Labor	99,977	81,255	135,922	233,823	290,309	258,183	318,818	290,539	318,518	319,880	321,559	435,593	477,842	534,346	574,819
38	Physicians Fees	330,533	299,739	425,458	711,175	732,599	753,679	821,474	798,811	746,990	746,106	766,500	753,727	906,651	580,433	574,819
39	Purchased Services	892,521	863,657	968,088	1,212,055	1,181,191	1,069,654	1,156,139	1,145,523	1,160,930	1,584,027	1,307,697	1,176,935	1,322,197	1,296,529	1,482,524
40	Supply Expense	995,446	953,253	781,620	1,065,725	969,916	1,135,386	1,082,947	1,151,526	1,178,561	1,205,576	974,888	1,076,992	1,036,516	976,378	858,466
41	Utilities	111,192	93,037	104,674	102,574	133,288	133,110	118,004	121,507	94,043	126,919	90,927	46,511	28,575	104,865	102,647
42	Repairs and Maintenance	77,524	76,806	101,283	102,208	89,577	83,457	89,062	91,814	101,379	69,476	95,272	71,754	58,554	78,527	46,176
43	Insurance Expense	112,745	119,548	127,300	143,335	298,168	150,004	150,004	150,004	151,422	155,432	150,004	150,004	151,273	150,004	200,004
44	All Other Operating Expenses	101,142	151,928	114,358	165,558	91,247	90,638	128,515	165,054	140,701	224,635	333,554	149,188	94,629	(21,600)	171,088
45	IGT Expense	0	91,499	120,769	127,110	0	0	0	30,693	0	1,140,046	362,726	0	0	0	0
46	Leases and Rentals	37,952	99,514	90,298	69,039	109,701	75,060	77,111	(59,627)	88,586	20,776	11,673	48,359	40,062	39,968	32,431
47	1206 (b) CLINIC	0	0	-	-	-	-	0	0	0	0	0	0	0	0	0
48	Total Operating Expenses	7,010,605	7,403,258	7,708,667	8,861,107	8,912,606	8,795,880	8,617,746	8,759,972	8,713,217	10,653,729	10,923,750	8,277,754	9,223,721	8,532,571	8,673,481
49																
50	EBIDA	(297,264)	(12,606)	76,617	(733,193)	(2,216,419)	(1,942,680)	(1,966,020)	(1,016,686)	(2,171,332)	6,411,331	(898,579)	(1,309,243)	(808,557)	(1,515,773)	(1,138,842)
51																
52	Interest, Depreciation, and Amortization															
53	Depreciation Expense	472,317	495,039	547,393	451,967	458,308	457,590	484,719	463,594	463,446	457,630	455,945	455,801	463,518	549,701	480,260
54	Interest Expense	391,606	484,663	438,303	527,058	507,482	507,784	517,479	655,434	531,194	542,437	527,426	523,211	539,309	534,174	603,804
55	Total Interest, Depr, & Amort.	863,923	979,702	985,697	979,025	965,790	965,374	1,002,198	1,119,028	994,640	1,000,067	983,371	979,012	1,002,827	1,083,875	1,084,064
56																
57	Non-Operating Revenue:															
58	Contributions & Other	25,068	132,587	483,520	356,470	177,566	185,015	93,238	135,222	125,825	716,576	205,789	64,337	920,944	145,305	348,647
59	Tax Subsidies for GO Bonds - M-A	616,059	660,979	1,074,156	745,407	646,409	646,409	646,409	646,409	646,409	646,409	646,409	646,409	646,409	646,409	646,409
60	Total Non Operating Revenue/(Expense)	641,127	793,566	1,557,676	1,101,877	823,975	831,424	739,647	781,631	772,234	1,362,985	852,198	710,746	1,567,353	791,714	995,056
61																
62	Total Net Surplus/(Loss)	(520,060)	(198,742)	648,598	(610,340)	(2,358,234)	(2,076,630)	(2,228,571)	(1,354,083)	(2,393,738)	6,774,249	(1,029,752)	(1,577,509)	(244,031)	(1,807,934)	(1,227,850)
63	Change in Interest in Foundation	0	0	-	-	0	0	0	0	0	0	0	0	0	0	0
64	Extra-Ordinary Income (Loss)	(284,792)	0	(231,988)	612,147	0	0	0	0	116,929	0	0	0	0	0	0
65	Increase/(Decrease in Unrestricted Net Assets	\$(804,852)	\$(198,742)	\$ 416,610	\$ 1,807	\$(2,358										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL									NOTE: UNFAVORABLE VARIANCES SHOW AS NEGATIVES							
2	INCOME STATEMENT - CURRENT MONTH									May 2025 ACTUAL	May 2026 ACTUAL	VARIANCE May 2026 TO May 2025	PERCENTAGE VARIANCE May 2026 TO May 2025		May 2026 BUDGET	VARIANCE May 2026 ACTUAL TO BUDGET	PERCENTAGE VARIANCE May 2026 ACTUAL TO BUDGET
3	NET INCOME									(1,349,896)	(1,227,850)	122,046	9.0%		(2,349,329)	1,121,479	47.7%
4	EBIDA									(2,673,560)	(1,138,842)	1,534,718	57.4%		(2,075,439)	936,597	45.1%
5																	
6	NET OPERATING REVENUE									7,289,050	7,534,639	245,589	3.4%		7,116,894	417,745	5.9%
7	NET PATIENT REVENUE									6,750,298	6,909,700	159,402	2.4%		6,218,547	691,153	11.1%
8	GROSS REVENUE FROM PATIENT SERVICES									50,352,724	54,916,798	4,564,074	9.1%		49,564,854	5,351,944	10.8%
9	TOTAL INPATIENT REVENUE									20,158,006	22,559,128	2,401,122	11.9%		19,840,549	2,718,579	13.7%
10	TOTAL OUTPATIENT REVENUE									30,194,718	32,357,670	2,162,952	7.2%		29,724,305	2,633,365	8.9%
11	DEDUCTIONS FROM REVENUE									(43,602,426)	(48,007,098)	(4,404,672)	10.1%		(43,346,307)	(4,660,791)	10.8%
12	OTHER OPERATING REVENUE									538,752	624,939	86,187	16.0%		898,347	(273,408)	-30.4%
13	OTHER REVENUE - RATE RANGE									0	0	0	0.0%		0	0	0.0%
14	OTHER REVENUE - OTHER SUPPLEMENTALS									81,621	56,724	(24,897)	-30.5%		56,724	0	0.0%
15	OTHER REVENUE - DSH									0	0	0	0.0%		0	0	0.0%
16	OTHER REVENUE - P4P									0	75	75	0.0%		75	0	0.0%
17	OTHER REVENUE - OTHER									203,015	60,606	(142,409)	-70.1%		257,185	(196,579)	-76.4%
18	OPERATING TAX REVENUES									254,116	507,534	253,418	99.7%		584,363	(76,829)	-13.1%
19																	
20	TOTAL OPERATING EXPENSE									9,962,610	8,673,481	1,289,129	12.9%		9,192,333	518,852	5.6%
21	TOTAL LABOR EXPENSE									5,386,002	5,205,326	180,676	3.4%		5,401,753	196,427	3.6%
22	WAGES									4,092,613	3,807,429	285,184	7.0%		4,289,055	481,626	11.2%
23	EMPLOYEE BENEFITS									786,316	863,551	(77,235)	-9.8%		881,837	18,286	2.1%
24	CONTRACT LABOR									507,073	534,346	(27,273)	-5.4%		230,861	(303,485)	-131.5%
25	PHYSICIAN FEES									1,972,844	574,819	1,398,025	70.9%		828,953	254,134	30.7%
26	PURCHASED SERVICES									1,157,233	1,482,524	(325,291)	-28.1%		1,118,198	(364,326)	-32.6%
27	SUPPLY EXPENSE									1,146,603	858,466	288,137	25.1%		1,228,920	370,454	30.1%
28	UTILITIES									49,889	102,647	(52,758)	-105.8%		116,695	14,048	12.0%
29	REPAIRS AND MAINTENANCE									(50,150)	46,176	(96,326)	192.1%		92,586	46,410	50.1%
30	INSURANCE									97,854	200,004	(102,150)	-104.4%		170,347	(29,657)	-17.4%
31	OTHER EXPENSES									110,816	171,088	(60,272)	-54.4%		153,251	(17,837)	-11.6%
32	LEASE AND RENTALS									91,519	32,431	59,088	64.6%		81,630	49,199	60.3%
33																	
34	NON-OPERATING REVENUE & EXPENSE																
35	TOTAL NON-OPERATING REVENUE & EXPENSE									1,916,846	995,056	(921,790)	-48.1%		770,613	224,443	29.1%
36	OTHER NON-OPERATING REVENUE									183,513	348,647	165,134	90.0%		124,204	224,443	180.7%
37	NON-OPERATING INTEREST INCOME									70,984	58,353	(12,631)	-17.8%		84,204	(25,851)	-30.7%
38	NON-OPERATING DONATIONS/GAIN ON SALE									112,529	290,294	177,765	158.0%		40,000	250,294	625.7%
39	NON-OPERATING TAX REVENUE									1,733,333	646,409	(1,086,924)	-62.7%		646,409	0	0.0%
40	EXTRAORDINARY REVENUE									0	0	0	0.0%		0	0	0.0%
41																	
42	TOTAL INTEREST & DEPRECIATION									593,182	1,084,064	(490,882)	-82.8%		1,044,503	(39,561)	-3.8%
43	DEPRECIATION									458,336	480,260	(21,924)	-4.8%		520,892	40,632	7.8%
44	INTEREST									134,846	603,804	(468,958)	-347.8%		523,611	(80,193)	-15.3%
45																	
46																	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL									NOTE: UNFAVORABLE VARIANCES SHOW AS NEGATIVES							
2	INCOME STATEMENT - 11 MONTHS YTD									May 2025 YTD ACTUAL	May 2026 YTD ACTUAL	YTD VARIANCE May 2026 TO May 2025	PERCENTAGE YTD VARIANCE May 2026 TO May 2025		May 2026 YTD BUDGET	VARIANCE May 2026 YTD ACTUAL TO BUDGET	PERCENTAGE VARIANCE YTD May 2026 ACTUAL TO BUDGET
3	NET INCOME									(7,245,275)	(9,407,154)	(2,161,879)	-29.8%		(11,970,055)	2,562,901	21.4%
4	EBIDA									(7,526,934)	(8,572,800)	(1,045,866)	-13.9%		(10,800,348)	2,227,548	20.6%
5																	
6	NET OPERATING REVENUE									89,749,389	91,511,627	1,762,238	2.0%		91,679,845	(168,218)	-0.2%
7	NET PATIENT REVENUE									62,064,587	66,840,527	4,775,940	7.7%		66,309,224	531,303	0.8%
8	GROSS REVENUE FROM PATIENT SERVICES									506,232,651	561,622,861	55,390,210	10.9%		554,341,516	7,281,345	1.3%
9	TOTAL INPATIENT REVENUE									192,675,020	212,765,547	20,090,527	10.4%		220,179,122	(7,413,575)	-3.4%
10	TOTAL OUTPATIENT REVENUE									313,557,631	348,857,314	35,299,683	11.3%		334,162,394	14,694,920	4.4%
11	DEDUCTIONS FROM REVENUE									(444,168,064)	(494,782,334)	(50,614,270)	11.4%		(488,032,292)	(6,750,042)	1.4%
12	OTHER OPERATING REVENUE									27,684,802	24,671,100	(3,013,702)	-10.9%		25,370,621	(699,521)	-2.8%
13	OTHER REVENUE - RATE RANGE									13,986,036	12,565,829	(1,420,207)	-10.2%		12,397,831	167,998	1.4%
14	OTHER REVENUE - OTHER SUPPLEMENTALS									4,854,536	2,811,109	(2,043,427)	-42.1%		2,808,385	2,724	0.1%
15	OTHER REVENUE - DSH									124,893	201,366	76,473	61.2%		118,526	82,840	69.9%
16	OTHER REVENUE - P4P									1,290,060	947,505	(342,555)	-26.6%		947,505	0	0.0%
17	OTHER REVENUE - OTHER									1,997,482	2,562,417	564,935	28.3%		2,670,381	(107,964)	-4.0%
18	OPERATING TAX REVENUES									5,431,795	5,582,874	151,079	2.8%		6,427,993	(845,119)	-13.1%
19																	
20	TOTAL OPERATING EXPENSE									97,276,323	100,084,427	(2,808,104)	-2.9%		102,480,193	2,395,766	2.3%
21	TOTAL LABOR EXPENSE									56,885,119	58,955,249	(2,070,130)	-3.6%		59,458,329	503,080	0.8%
22	WAGES									45,295,351	45,321,595	(26,244)	-0.1%		47,560,341	2,238,746	4.7%
23	EMPLOYEE BENEFITS									9,421,983	9,809,347	(387,364)	-4.1%		9,590,361	(218,986)	-2.3%
24	CONTRACT LABOR									2,167,785	3,824,307	(1,656,522)	-76.4%		2,307,627	(1,516,680)	-65.7%
25	PHYSICIAN FEES									7,349,918	8,181,699	(831,781)	-11.3%		9,118,483	936,784	10.3%
26	PURCHASED SERVICES									12,978,970	13,883,346	(904,376)	-7.0%		12,368,948	(1,514,398)	-12.2%
27	SUPPLY EXPENSE									12,089,747	11,647,152	442,595	3.7%		13,362,552	1,715,400	12.8%
28	UTILITIES									1,177,489	1,100,396	77,093	6.5%		1,252,927	152,531	12.2%
29	REPAIRS AND MAINTENANCE									1,076,819	875,048	201,771	18.7%		1,017,126	142,078	14.0%
30	INSURANCE									1,553,765	1,856,323	(302,558)	-19.5%		1,870,198	13,875	0.7%
31	OTHER EXPENSES									3,248,297	3,101,114	147,183	4.5%		3,133,700	32,586	1.0%
32	LEASE AND RENTALS									916,199	484,100	432,099	47.2%		897,930	413,830	46.1%
33																	
34	NON-OPERATING REVENUE & EXPENSE																
35	TOTAL NON-OPERATING REVENUE & EXPENSE									11,135,356	10,345,892	(789,464)	-7.1%		10,097,206	248,686	2.5%
36	OTHER NON-OPERATING REVENUE									3,180,576	3,118,464	(62,112)	-2.0%		2,986,707	131,757	4.4%
37	NON-OPERATING INTEREST INCOME									1,010,651	702,440	(308,211)	-30.5%		926,244	(223,804)	-24.2%
38	NON-OPERATING DONATIONS/GAIN ON SALE									2,169,925	2,416,024	246,099	11.3%		2,060,463	355,561	17.3%
39	NON-OPERATING TAX REVENUE									7,616,676	7,110,499	(506,177)	-6.6%		7,110,499	0	0.0%
40	EXTRAORDINARY REVENUE									338,104	116,929	(221,175)	-65.4%		0	116,929	0.0%
41												0					
42	TOTAL INTEREST & DEPRECIATION									10,853,697	11,180,246	(326,549)	-3.0%		11,266,913	86,667	0.8%
43	DEPRECIATION									4,831,662	5,190,512	(358,850)	-7.4%		5,507,192	316,680	5.8%
44	INTEREST									6,022,035	5,989,734	32,301	0.5%		5,759,721	(230,013)	-4.0%
45																	
46																	

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL (2026 Amounts are Unaudited)												5
2	BALANCE SHEET								PY Ending Balance Jun 25 ACT	Mar 26 Act	Apr 26 Act	May 26 Act	VARIANCE to Prior Month
3													
4	** TOTAL ASSETS								119,841,620	108,338,200	106,112,089	105,999,572	(112,517)
5	CURRENT ASSETS								23,969,439	15,939,328	15,483,155	15,299,929	(183,226)
6							CASH & EQUIVALENTS	7,194,266	6,463,289	5,607,684	5,517,222	(90,462)	
7							NET PATIENT ACCOUNTS RECEIVABLE	9,005,980	10,484,990	10,572,794	10,732,402	159,608	
8							HOSPITAL ACCOUNTS RECEIVABLE	86,951,054	99,245,116	97,316,647	102,566,935	5,250,288	
9							LESS: ALLOWANCE FOR BAD DEBTS	(77,945,074)	(88,760,126)	(86,743,853)	(91,834,533)	(5,090,680)	
10							OTHER CURRENT ASSETS	7,769,193	(1,008,951)	(697,323)	(949,695)	(252,372)	
11							TAXES RECEIVABLE	1,275,792	2,165,721	2,320,354	1,941,638	(378,716)	
12							MISC RECEIVABLE	4,797,671	(4,799,216)	(4,596,443)	(4,338,022)	258,421	
13							DUE FROM 3RD PARTIES	(1,178,672)	(1,193,045)	(1,193,086)	(1,193,127)	(41)	
14							INVENTORIES	2,510,280	2,549,081	2,556,270	2,491,479	(64,791)	
15							PREPAID EXPENSES	364,122	268,508	215,582	148,337	(67,245)	
16													
17	ASSETS WHICH USE IS LIMITED								19,545,035	18,187,342	17,000,563	17,513,725	513,162
18	NET PROPERTY, PLANT, AND EQUIPMENT								74,981,784	72,896,386	72,316,584	71,877,489	(439,095)
19							PROPERTY, PLANT, AND EQUIPMENT	172,737,299	175,927,684	175,897,582	175,948,361	50,779	
20							LAND & LAND IMPROVEMENTS	4,714,814	8,091,366	8,091,366	8,091,366	0	
21							BUILDINGS & BUILDING IMPROVEMENTS	137,475,441	116,880,119	116,880,119	116,880,119	0	
22							FIXED EQUIPMENT	28,435,265	46,235,077	46,961,713	46,996,319	34,606	
23							CONSTRUCTION IN PROGRESS	2,111,779	4,721,122	3,964,384	3,964,557	16,173	
24							LESS: ACCUMULATED DEPRECIATION	(97,755,515)	(103,031,298)	(103,580,998)	(104,070,872)	(489,874)	
25	OTHER ASSETS								1,345,362	1,315,144	1,311,787	1,308,429	(3,358)
26													
27	TOTAL LIABILITIES & FUND BALANCE								119,841,571	108,338,222	106,112,114	105,999,605	(112,509)
28	TOTAL LIABILITIES												
29	CURRENT LIABILITIES								38,555,904	38,513,041	38,331,628	39,570,432	1,238,804
30							ACCOUNTS PAYABLE	14,641,797	13,702,593	13,721,420	12,993,454	(727,966)	
31							PAYROLL PAYABLES	4,956,746	6,229,803	5,949,971	4,619,486	(1,330,485)	
32							SALARIES & WAGES PAYABLE	1,130,598	2,658,317	2,462,906	1,258,421	(1,204,485)	
33							PAYROLL TAXES & DEDUCTIONS PAYABLE	507,427	156,455	159,014	185,385	26,371	
34							ACCRUED PTO & SICK DAYS PAYABLE	3,318,721	3,415,031	3,328,051	3,175,680	(152,371)	
35							LINE OF CREDIT	12,000,000	12,161,195	12,234,669	15,154,536	2,919,867	
36							OTHER CURRENT LIABILITIES	6,957,361	6,419,450	6,425,568	6,802,956	377,388	
37							ACCRUED INTEREST PAYABLE	1,902,538	1,031,160	1,049,569	1,441,261	391,692	
38							OTHER CURRENT LIABILITIES	978,785	946,196	922,441	908,137	(14,304)	
39							DEBT - CURRENT	4,076,038	4,442,094	4,453,558	4,453,558	0	
40													
41	LONG TERM LIABILITIES								112,572,552	107,483,385	107,246,624	107,123,161	(123,463)
42													
43	NET ASSETS								(31,286,885)	(37,658,204)	(39,466,138)	(40,693,988)	(1,227,850)
44	NET ASSETS - UNRESTRICTED								(31,286,885)	(37,658,204)	(39,466,138)	(40,693,988)	(1,227,850)
45							NET ASSETS - BEGINNING OF PERIOD	(31,093,157)	(31,286,834)	(31,286,834)	(31,286,834)	0	
46							CURRENT YEAR NET GAIN/(LOSS)	(193,728)	(6,371,370)	(8,179,304)	(9,407,154)	(1,227,850)	
47													
48	** Slight variances due to "rounding"												
49									Page 10				

	B	C	D	E	F	G	H
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL						
2						(UNAUDITED)	(UNAUDITED)
3	Note: These amounts do not include General Obligation Bonds Taxes & Payments					Current Month	Y-T-D
4						5/31/2026	5/31/2026
5	BEGINNING CASH BALANCES						
6		Cash: Beginning Balances- Hospital				\$ 5,600,150	\$ 5,294,242
7		Cash: Beginning Balances- District				7,534	1,900,024
8		Cash: Beginning Balances Totals				\$ 5,607,684	\$ 7,194,266
9							
10	Receipts						
11		Patient Collections				\$ 6,256,393	\$ 64,858,946
12		Tax Subsidies/Measure D/Prop 13				507,534	\$ 5,582,874
13		Misc Tax Subsidies					\$ -
14		Donations/Grants/Loans				290,294	\$ 2,546,024
15		Supplemental Funding (Rate Range, Etc.)				56,799	\$ 16,087,693
16		Draws/(Paydown) of LOC Balances					\$ -
17		Other Revenues/Receipts/Transfers				60,606	\$ 15,489,174
18	TOTAL RECEIPTS					\$ 7,171,626	\$ 104,564,711
19							
20	Disbursements						
21		Wages, Benefits, & Contract Labor				\$ 5,205,326	\$ 57,726,806
22		Other Operating Costs				3,468,155	\$ 41,129,178
23		Capital Spending				50,779	\$ 3,211,061
24		Debt Service Payments (Excl.G/O Bonds)				90,670	\$ 876,750
25		Other - Changes in A/P, IGT's, Other Rcvbls, Etc.				(1,552,842)	\$ 3,297,960
26	TOTAL DISBURSEMENTS					\$ 7,262,088	\$ 106,241,755
27							
28	TOTAL CHANGE in CASH					\$ (90,462)	\$ (1,677,044)
29							
30	ENDING CASH BALANCES						
31		Ending Balances- Hospital				\$ 4,378,095	\$ 4,378,095
32		Ending Balances- District				1,139,127	1,139,127
33		Ending Balances- Totals				\$ 5,517,222	\$ 5,517,222
34							
35							
36							
37	LOC Current Balances					\$ 15,000,000	\$ 15,000,000
38	5/15/2026						
39							
40	Page 11						

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT - STATEMENT OF REVENUES AND EXPENSES MAY 31, 2026														
2	DISTRICT							May 26 Bud	May 26 Act	Variance		Jul - May 26 Bud YTD	Jul - May 26 Act YTD	Variance	
3															
4	NET INCOME							339,272	289,875	(49,397)		5,546,171	6,180,247	634,076	
5	EBIDA							516,017	177,271	(338,746)		5,647,283	3,960,205	(1,687,078)	
6															
7	TOTAL OPERATING REVENUE							585,463	517,329	(68,134)		6,440,093	5,782,386	(657,707)	
8							1,100	9,795	8,695		12,100	199,512	187,412		
9	OPERATING TAX REVENUES							584,363	507,534	(76,829)		6,427,993	5,582,874	(845,119)	
10							256,568	242,734	(13,834)		2,822,248	2,670,075	(152,173)		
11							327,795	264,800	(62,995)		3,605,745	2,912,799	(692,946)		
12															
13	TOTAL OPERATING EXPENSE							69,446	340,058	(270,612)		792,810	1,822,181	(1,029,371)	
14							0	0	0		0	0	0		
15	PROFESSIONAL FEES							63,363	336,321	(272,958)		696,993	1,767,921	(1,070,928)	
16							1,191	0	1,191		13,101	36,747	(23,646)		
17							20,979	93,786	(72,807)		230,769	608,185	(377,416)		
18							381	0	381		4,191	0	4,191		
19							3,393	4,612	(1,219)		37,323	38,433	(1,110)		
20							89	284	(195)		979	2,737	(1,758)		
21							0	49,937	(49,937)		0	249,685	(249,685)		
22							37,330	187,702	(150,372)		410,630	832,134	(421,504)		
23															
24							0	0	0		0	416	(416)		
25	OTHER EXPENSES							6,083	3,737	2,346		95,817	53,844	41,973	
26							153	537	(384)		1,683	4,362	(2,679)		
27							4,906	2,600	2,306		52,154	30,572	21,582		
28							246	0	246		15,460	0	15,460		
29							0	0	0		0	0	0		
30							778	600	178		26,520	18,910	7,610		
31															
32	NON-OPERATING REVENUE & EXPENSE							739,391	987,914	248,523		9,753,764	11,756,104	2,002,340	
33	OTHER NON-OPERATING REVENUE							92,982	341,505	248,523		2,643,265	2,995,605	352,340	
34							52,982	51,211	(1,771)		582,802	579,581	(3,221)		
35							40,000	290,294	250,294		2,060,463	2,416,024	355,561		
36															
37							646,409	646,409	0		7,110,499	7,110,499	0		
38							0	0	0		0	1,650,000	1,650,000		
39															
40	TOTAL INTEREST & DEPRECIATION							916,136	875,310	40,826		9,854,876	9,536,062	318,814	
41							520,892	480,260	40,632		5,507,192	5,190,512	316,680		
42	INTEREST & AMORTIZATION							395,244	395,050	194		4,347,684	4,345,550	2,134	
43							390,516	391,692	(1,176)		4,295,676	4,308,612	(12,936)		
44							4,728	3,358	1,370		52,008	36,938	15,070		
45															
46															

	A	B	C	D	E	F	G	H	I	J	K	L	M	
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT													
2	DISTRICT							Feb 26 Act	Mar 26 Act	Apr 26 Act	May 26 Act		Var Apr 26 Act	
3														
4	TOTAL ASSETS						94,400,007	108,002,792	108,180,452	110,909,266		2,728,814		
5	CURRENT ASSETS						10,053,450	10,599,484	11,269,892	12,012,510		742,618		
6	CASH & EQUIVALENTS						18,454	15,525	17,793	1,139,127		1,121,334		
7	OTHER CURRENT ASSETS						10,034,996	10,583,959	11,252,099	10,873,383		(378,716)		
8	TAXES RECEIVABLE						1,059,952	2,165,721	2,320,354	1,941,638		(378,716)		
9	MISC RECEIVABLE						8,975,044	8,398,238	8,911,745	8,911,745		0		
10	PREPAID EXPENSES						0	20,000	20,000	20,000		0		
11														
12	ASSETS WHICH USE IS LIMITED						18,046,554	18,152,586	16,971,569	17,482,024		510,455		
13														
14	NET PROPERTY, PLANT, AND EQUIPMENT						72,012,166	71,818,296	71,295,865	70,976,969		(318,896)		
15	PROPERTY, PLANT, AND EQUIPMENT						173,464,715	173,734,363	173,761,632	173,922,997		161,365		
16	LAND & LAND IMPROVEMENTS						8,091,366	8,091,366	8,091,366	8,091,366		0		
17	BUILDINGS & BUILDING IMPROVEMENTS						116,880,119	116,880,119	116,880,119	116,880,119		0		
18	FIXED EQUIPMENT						44,000,986	44,041,756	44,825,763	44,970,955		145,192		
19	CONSTRUCTION IN PROGRESS						4,492,244	4,721,122	3,964,384	3,980,557		16,173		
20	LESS: ACCUMULATED DEPRECIATION						(101,452,549)	(101,916,067)	(102,465,767)	(102,946,028)		(480,261)		
21	OTHER ASSETS						(5,712,163)	7,432,426	8,643,126	10,437,763		1,794,637		
22	INVESTMENT IN AFFILIATE						(6,169,650)	6,978,297	8,192,354	9,990,349		1,797,995		
23	BONDS						457,487	454,129	450,772	447,414		(3,358)		
24														
25	TOTAL LIABILITIES & FUND BALANCE						94,399,992	108,002,777	108,180,430	110,909,246		(2,728,816)		
26	TOTAL LIABILITIES						113,580,432	126,034,019	125,946,967	128,385,908		(2,438,941)		
27	CURRENT LIABILITES						6,418,944	18,897,743	19,018,099	21,482,250		(2,464,151)		
28	ACCOUNTS PAYABLE						1,337,381	1,263,294	1,353,777	587,431		766,346		
29	LINE OF CREDIT						0	12,161,195	12,161,195	15,000,000		(2,838,805)		
30	OTHER CURRENT LIABILITIES						5,081,563	5,473,254	5,503,127	5,894,819		(391,692)		
31	ACCRUED INTEREST PAYABLE						639,469	1,031,160	1,049,569	1,441,261		(391,692)		
32	DEBT - CURRENT						4,442,094	4,442,094	4,453,558	4,453,558		0		
33	LONG TERM LIABILITIES						107,161,488	107,136,276	106,928,868	106,903,658		25,210		
34														
35	NET ASSETS - UNRESTRICTED						(19,180,440)	(18,031,242)	(17,766,537)	(17,476,662)		(289,875)		
36	NET ASSETS - BEGINNING OF PERIOD						(23,656,909)	(23,656,909)	(23,656,909)	(23,656,909)		0		
37	CURRENT YEAR NET GAIN/(LOSS)						4,476,469	5,625,667	5,890,372	6,180,247		289,875		
39								Page 13						

STATISTICS

Inpatient Admissions/Discharges (Monthly Average)	Represents number of patients admitted/discharged into and out of the hospital.
Patient Days (Monthly Average)	Each day a patient stays in the hospital is counted as a patient day. This count is normally done at midnight.
Average Daily Census (Inpatient)	Equals the average number of inpatients in the hospital on any given day or month.
Average Length of Stay (Inpatient)	Represents that average number of days that inpatients stay in the hospital.
Emergency Visits (Monthly Average)	Represents the number of patients who sought services at the emergency room.
Surgery Cases - Excluding G.I. (Monthly Average)	Equals the number of patients who had a surgical procedure(s) performed.
G.I. Cases (Monthly)	Number of patients who had a gastrointestinal exam performed.
Newborn Deliveries (Monthly)	Number of babies delivered.

PRODUCTIVITY

Worked FTEs (includes Registry FTEs)	Represents an equivalency of full-time staff worked. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours worked by the number of hours in the respective work period (40, 80, etc.) Example: 340 hours worked in an 80 hour pay period = 4.25 FTE's
Worked FTES per APD	Divides the Total Worked FTE's by the daily average of the Adjusted Patient Days.
Paid FTEs (includes Registry FTEs)	Represents an equivalency of full-time staff paid. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours paid (includes all hours paid consisting of worked hours, PTO hours, sick pay, etc.) by the number of hours in the respective work period (40, 80, etc.) Example: 500 hours paid in an 80 hour pay period = 6.25 FTE's.
Paid FTES per APD	Divides the Total Paid FTE's by the daily average of the Adjusted Patient Days.
ADJUSTED PATIENT DAYS	This is a blend of total patient days stayed in the hospital for a month, plus an equivalency factor (based on average inpatient revenue per patient day) applied to the outpatient revenues in order to account for outpatient workloads.

INCOME STATEMENT

Gross Patient Revenue (000's) (Monthly Ave.)	Represents total charges (before discounts and allowances) made for all patient services provided.
Net Patient Revenue (NPR) (000's) (Monthly Ave.)	Equals the sum of all (patient) charges for services provided that are due to the hospital, less estimated adjustments for discounts and other contractual disallowances for which the patients may be entitled.
NPR as % of Gross	Reflects the percentage of Gross Patient Revenues (charges) that are expected to be collected. Calculated by dividing Net Patient Revenue by the Gross Patient Revenue.
Total Operating Revenue (000's) (Monthly Ave.)	This reflects all Revenues available for payment of Operating Expenses. This includes Net Patient Revenue plus all other forms of miscellaneous Revenues.
Salaries, Wages, Benefits & Contract Labor (000's) (Monthly Ave.)	Represents the total staffing expenses of the Hospital
SWB + Contract Labor as % of Total Operating Revenue	Identifies what portion the Operating Revenues are spent on staffing costs.
Total Operating Expense (TOE) (000's)(Monthly Ave.)	Operating Expense reflects all costs needed to fund the Hospital's business operations.
TOE as % of Total Operating Revenue	Identifies the relationship that Operating Expenses have to the Total Operating Revenues.
EBIDA (000's)(Monthly Average)	Earnings Before Interest, Depreciation, and Amortization. This reflects the difference between Net Operating Revenues and Total Operating Expense. This is a quick measurement of the Hospital's ability to meet its financial obligations and have additional funds for equipment replacement and future growth of the organization.
EBIDA as % of NPR	This measurement is a guage of the surplus (or deficit) of funds available for operations and future growth.
Net Patient Revenue vs. Total Labor Expense	This measurement illustrates that Net Patient Revenues basically only cover Total Labor Expense, and that all of the Other Revenues and Supplemental Incomes are necessary to cover the remaining operational Expenses and EBIDA required to operate the Hospital.
Operating Revenues (Normalized), Expenses, Staffing Expenses, and EBIDA (Normalized)	This graph illustrates the "normalization" of Operating Revenues and EBIDA, by reallocating proportionate Supplemental Revenues and related Expenses into the current month and YTD results.

BALANCE SHEET (Period End)

Cash (000's)	Represents all unrestricted cash in the bank at each month-end.
Days Cash on Hand	Calculated by dividing amount of Cash on Hand by the historical average daily amount of cash requirements to cover operating expenses.
Accounts Receivable - Net (000's)	Equals the sum of all (patient) accounts that are due to the hospital, less estimated adjustments for discounts and other contractual disallowances for which the patients may be entitled.
A/R Days - Net	This measures the average number of days it takes to collect payment of the Net Accounts Receivable. Lower values are desired.
Current Ratio (Current Assets/Current Liabilities)	A measure that illustrates the ability for the hospital to pay its obligations that come due over the course of the next year. The greater the Current Assets as compared to the Current Liabilities, the stronger position the organization is in to pay its upcoming obligations. Desired position is greater than 1:00 to 1:00, preferably at least 1:25 to 1:00 or greater.
Quick Ratio	This measures the Cash + Net Accounts Receivable compared to the Current Liabilities. Desired ratio is greater than 1.00 : 1.00.
Accounts Payable (000's)	Reflects payment obligations of the Hospital as of a point in time. Excludes Loans, Payroll and other Debt obligations. Lower values are desired.
Accounts Payable Days	Reflects the average number of days that it takes to pay routine bills. Lower numbers are desired. Calculated by dividing the Accounts Payable amount by the historical average daily cost of routine expenses.
Line of Credit Balance (000's)	The amount that is currently borrowed from a lending institution as of a given point in time.

TAB C

San Gorgonio Memorial Healthcare District Hospital and San Gorgonio Memorial Hospital FYE June 30, 2027 Operating and Capital Budgets

To: Finance Committee, Board of Directors, and District Board

Agenda Item for June 30, 2026 Finance Committee and Board Meetings

Subject:

Recommendation for Approval of San Gorgonio Memorial Healthcare District and San Gorgonio Memorial Hospital June 30, 2027 Operating and Capital Budgets

Key Issues:

Each year it is required that the Hospital and District prepare budgets for the upcoming fiscal year.

The FY 2027 Operating and Capital Budget Package is included as an Attachment to this write-up.

Executive Leadership will present this package to the respective Committees and Boards at the meetings listed above.

Recommended Action:

To approve the San Gorgonio Memorial Healthcare District and San Gorgonio Memorial Hospital FYE June 30, 2027 Operating and Capital Budgets as presented.

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT and HOSPITAL

FYE June 30, 2027 Budget Package

Operating Budget

Assumptions

Workload Indicators

Combined Statement of Revenues and Expenses

Combined Balance Sheet

Combined Cash Flow Statement

District (Only) Statement of Revenues and Expenses

Capital Budget

Prepared: June 23, 2026

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT AND HOSPITAL

FYE June 30, 2027

Leadership has developed a budget strategy designed to achieve a realistic financial turnaround for fiscal year 2027. Succeeding is essential for operational stability and addressing debt accumulated from deficits in previous years.

Budget Assumptions to address <\$7.9M> 2026 Net Income shortfall with \$4.1M 2027 projection:

Reimbursement:

\$10.4M - Supplemental Funding – San Gorgonio auditors require booking supplemental funding “upon receipt” vs. “accruing”.
FY 2027 Funds are based mostly on historical volumes and reimbursement levels.

- \$8.4 Million District Hospital Directed Payment [DHDP] (DHLF rate improvements & a one-time additional payment)
- \$2.3 Million QIP (did not qualify for 2025 funding)
- \$667K HQAF Direct Grant
- <\$951K> Rate Range

\$1M - Medicare – low volume (qualified 05/26)

\$520K - Manage Care – Blue Cross/Blue Shield/IEHP/Aetna renegotiation contracts

<\$1.1M> - Pain Management/Behavioral Health program changes partial offset in cost reductions

Workloads:

1.5% Inpatient Growth

2.0% Outpatient Growth (Includes Spect CT Nuclear Medicine growth for project completed 5/1/26)

<0.2%> Pain Management (phys. closed office April 26) & Behavioral Health (closed 8/31/26)

Expenses:

\$3.9M Labor Expense:

- \$793K Admin shift to Purchased Services for Management Agreement
- \$1.6M Facility 15% project, lower premium pay practice changes & FTE review
- \$95K Work Comp reduction for performance on 2027 quote
- \$571K Behavioral Health program closure 8/31/26
- \$840K Contract Labor focused on rate reductions, including ADEX \$85 vs. \$100 per hour other vendors

\$1.6M Supply savings from GPO / Office Supply shift to Staples & 15% dept. identified reductions

<\$299K> Professional Fees:

- <\$450K> IP Hospitalists previously no supplemental
- \$226K Ortho Call savings
- \$730K Legal/Consulting Fee savings
- <\$311K> Management Fee
- <\$638K> Tenet Salaries shift from SW&B
- <\$160K> Allscripts/Navigant fees for increased net revenue
- \$304K Facility 15% project

<\$311K> Other Expenses:

- <\$174K> District Election Fees
- <\$276K> IGT fees

<\$2.8M> non-operating revenue & expense:

<\$780K> Non-Operating Donations/Gain on Sale

<\$560K> Spect CT & Ultrasound project <\$1.3M> vs. \$750K Rad equip FY 2027

<\$132K> IT Core project

\$182K Non-Operating Tax Revenue

<\$2.2M> Extraordinary Revenue:

<\$4.2M> ERCP FY 2026 – could be 2027 due to ongoing IRS delays

\$2M CHFFA loan forgiveness

Other notes:

- Management recognizes the importance of addressing employee compensation. The proposed budget does not include funding for salary adjustments. If financial performance exceeds budgeted expectations, leadership intends to re-valuate opportunities as soon as fiscally prudent.
- The budget currently does not include any significant inflation factors.
- No patient charge rate increases are included in FY 2027.

Risks not budgeted:

- OBBA H.R.1 – anticipated to cut \$1 trillion from Medicaid/ACA marketplace subsidies.
- OHCA – CA Health Care Quality and Affordability Act limits statewide per capita health care growth from 3.5% to 3% through 2029.

Opportunities not budgeted:

- Leakage Reduction & Outpatient Growth
- Primary Care/FQHC Strategy
- Revenue Cycle & Supplemental Payment Optimization

Capital and Financing:

Key Required Items: Continued investments in I/T including Switches/Cloud Upgrades, Fire Alarm Upgrade, Sterile Processor Humidification System, Metal Detectors at 3 main entrances, Ventilators, Seismic Compliance Testing (continued), and donated capital for radiology.

Submission to access \$50 billion federal Rural Health Transformation Fund and continue to pursue other Funding and Grants available. Facility leadership & community physicians requested additional support for women's services, pending Morongo Band of Mission Indians.

Majority of Ad Valorem Taxes to be applied toward the Capital Equipment budget.

Debt Service for General Obligation Bonds will be made from Measure A property Taxes.

Tenet \$15M Line of Credit utilized as of May 2026.

Forgiveness budgeted for Distressed Hospital CHFFA loan (\$2.0M) as Extraordinary Income.
Facility meets metric criteria pending decision from CHFFA.

Report Format:

The 2027 Operating Budget was again prepared in the Premier Budget Financial Reporting (BFR) software system. Please note that the BFR system tabulates Totals from the "bottom up" method, in contrast to the "top down" method which are more traditional.

	C	D	E	F	G	H
1	SAN GORGONIO MEMORIAL HEALTH CARE DISTRICT AND HOSPITAL	ACTUAL 2025	FORECAST 2026	BUDGET 2027	VARIANCE 2027 TO 2026	VARIANCE PERCENTAGE
2	WORKLOAD INDICATORS					
3						
4	PATIENT DAYS	9,505	9,815	9,960	145	1.5%
5						
6	AVERAGE DAILY CENSUS	26.04	26.89	27.29	0.40	1.5%
7						
8	INPATIENT ADMISSIONS/DISCHARGES	2,405	2,739	2,780	41	1.5%
9						
10	AVERAGE LENGTH OF STAY	3.95	3.58	3.58	(0.00)	0.0%
11						
12	ADJUSTED PATIENT DAYS	25,056	26,833	26,782	(51)	-0.2%
13						
14	OBSERVATION COUNT	4,511	4,526	4,481	(45)	-1.0%
15						
16	EMERGENCY VISITS	43,427	43,471	44,340	869	2.0%
17						
18	EMERGENCY VISITS PER DAY	119.0	119.1	121.5	2.4	2.0%
19						
20	SURGICAL CASES	1,210	1,064	907	(157)	-14.8%
21						
22	G.I. CASES	283	287	292	5	1.7%
23						
24	NEWBORN DELIVERIES	102	142	142	0	0.0%
25						
26	OUTPATIENT REGISTRATIONS (EXCLUDES EMERGENCY AND CLINICS)	6,086	6,935	7,060	125	1.8%
27						
28	CASE MIX INDEX	1.5911	1.4815	1.4667	(0.0148)	-1.0%
29						
30	PAID FTE'S (INCLUDING CONTRACT FTE'S)	520.4	521.6	505.0	(16.6)	-3.2%
31						
32	PAID FTE'S PER ADJUSTED PATIENT DAY	7.58	7.10	6.88	0.21	3.0%
33						
34	Note: Favorable Variances are Shown as Positive and Unfavorable Variances are Shown as Negative					June 23, 2026
35			Page 5			

	A	B	C	D	E	F
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL					
2	INCOME STATEMENT	ACTUAL 2025	PROJECTED 2026	BUDGET 2027	VARIANCE 2027 TO 2026 (see note)	VARIANCE PER CENTAGE (see note)
3	NET INCOME	(193,728)	(7,953,948)	4,124,215	12,078,163	151.9%
4	EBIDA	(8,891,793)	(10,677,558)	4,647,814	15,325,372	143.5%
5						
6	TOTAL OPERATING REVENUE	97,534,970	97,967,917	108,408,746	10,440,829	10.7%
7	NET PATIENT REVENUE	68,322,964	72,513,632	72,369,129	(144,503)	-0.2%
8	GROSS REVENUE FROM PATIENT SERVICES	551,999,806	610,988,863	612,432,162	1,443,299	0.2%
9	TOTAL INPATIENT REVENUE	209,400,799	223,796,475	227,762,314	3,965,839	1.8%
10	TOTAL OUTPATIENT REVENUE	342,599,007	387,192,388	384,669,848	(2,522,540)	-0.7%
11	DEDUCTIONS FROM REVENUE	(483,676,842)	(538,475,231)	(540,063,033)	(1,587,802)	-0.3%
12	CONTRACTUAL ALLOWANCES	(469,541,891)	(523,118,247)	(524,427,020)	(1,308,773)	-0.3%
13	BAD DEBT EXPENSE	(13,001,970)	(13,489,225)	(13,734,318)	(245,093)	-1.8%
14	CHARITY WRITE OFFS	(1,132,981)	(1,867,759)	(1,901,695)	(33,936)	-1.8%
15						
16	TOTAL OTHER OPERATING REVENUE	29,212,006	25,454,285	36,039,617	10,585,332	41.6%
17	OTHER REVENUE - RATE RANGE	13,986,036	12,565,829	11,614,748	(951,081)	-7.6%
18	OTHER REVENUE - OTHER SUPPLEMENTALS	5,644,791	3,201,256	15,085,901	11,884,645	371.2%
19	OTHER REVENUE - DSH	130,367	201,366	229,712	28,346	14.1%
20	OTHER REVENUE - P4P	1,443,055	1,081,491	681,131	(400,360)	0.0%
21	OTHER REVENUE - OTHER	2,344,940	2,313,934	2,184,133	(129,801)	-5.6%
22	OPERATING TAX REVENUES	5,662,817	6,090,409	6,243,992	153,583	2.5%
23	OPERATING REVENUE TAX REVENUE MH.	2,774,102	2,912,810	2,971,064	58,254	2.0%
24	OTHER REVENUE PROP 13	2,888,715	3,177,599	3,272,928	95,329	3.0%
25	OTHER REVENUE ABX 163	0	0	0	0	0.0%
26						
27	TOTAL OPERATING EXPENSE	106,426,763	108,645,475	103,760,932	4,884,543	4.5%
28	TOTAL LABOR EXPENSE	61,947,936	63,657,314	59,733,443	3,923,871	6.2%
29	EMPLOYEE WAGES & BENEFITS	59,142,058	60,055,062	56,971,191	3,083,871	5.1%
30	WAGES	48,887,610	49,546,634	46,846,085	2,700,549	5.5%
31	EMPLOYEE BENEFITS	10,254,448	10,508,428	10,125,106	383,322	3.6%
32	CONTRACT LABOR	2,805,878	3,602,252	2,762,252	840,000	23.3%
33						
34	PHYSICIAN FEES	8,534,104	9,163,029	9,372,921	(209,892)	-2.3%
35	PURCHASED SERVICES	14,544,658	14,627,245	14,716,591	(89,346)	-0.6%
36	SUPPLIES	13,002,867	12,999,333	11,428,158	1,571,175	12.1%
37	UTILITIES	1,230,887	1,296,466	1,428,363	(131,897)	-10.2%
38	REPAIRS AND MAINTENANCE	1,226,585	1,039,672	971,274	68,398	6.6%
39	INSURANCE	1,735,113	2,105,975	2,115,864	(9,889)	-0.5%
40	OTHER EXPENSES	3,496,948	3,197,009	3,620,340	(423,331)	-13.2%
41	LEASE AND RENTALS	707,665	559,432	373,978	185,454	33.2%
42						
43	TOTAL NON-OPERATING REVENUE & EXPENSE	20,568,290	14,995,991	12,175,834	(2,820,157)	-18.8%
44	OTHER NON-OPERATING REVENUE	4,277,641	3,020,070	2,240,581	(779,489)	-25.8%
45	NON-OPERATING INTEREST INCOME	887,703	773,639	773,639	0	0.0%
46	NON-OPERATING DONATIONS/GAIN ON SALE	3,389,938	2,246,431	1,466,942	(779,489)	-34.7%
47	NON-OPERATING TAX REVENUE	8,944,882	7,756,908	7,938,956	182,048	2.3%
48	EXTRAORDINARY REVENUE (EXPENSE)	7,345,767	4,219,013	1,996,297	(2,222,716)	-52.7%
49						
50	TOTAL INTEREST & DEPRECIATION	11,870,225	12,272,381	12,699,433	(427,052)	-3.5%
51	DEPRECIATION	5,423,605	5,735,719	6,237,690	(501,971)	-8.8%
52	INTEREST & AMORTIZATION	6,446,620	6,536,662	6,461,743	74,919	1.1%
53						
54	Note: Favorable Variances are Shown as Positive and Unfavorable Variances are Shown as Negative					June 23, 2026
55				Page 6		

	A	B	C	D	E	F	G
1	San Gorgonio Memorial Healthcare District and Hospital						
2	Balance Sheet						
3					Actual	Forecast	Budget 2027
4	Assets				Jun-25	Jun-26	Jun-27
5							
6	Current assets:						
7		Cash and cash equivalents			\$ 7,194,266	\$ 2,967,610	\$ 8,322,079
8		Unrestricted			7,146,971	2,965,178	8,317,636
9		Restricted, Measure D			47,294	2,431	4,443
10		Patient account receivables:					
11		Patient accounts receivable, net			9,005,980	10,280,230	9,329,247
12		Taxes receivable			470,179	(1,248,971)	(1,172,884)
13		Other receivables			5,603,283	(5,045,174)	(5,310,755)
14		Estimated third-party payor settlements			0	217,852	114,460
15		Inventories			2,510,280	2,576,000	2,576,000
16		Prepaid expenses and other			364,122	46,474	27,103
17							
18	Total current assets				25,148,111	9,794,022	13,885,250
19							
20	Noncurrent assets:						
21		Capital assets - Nondepreciable			2,993,539	5,902,883	5,902,883
22		Capital assets - Net of accumulated depreciation			71,988,246	66,243,337	62,005,647
23		Cash and cash equiv - Restricted, net amt avail for debt service			19,512,108	22,278,624	21,653,550
24		Cash and cash equiv - Board designated			32,928	136,402	136,402
25		Beneficial interest in the net assets of SGH Foundation			861,015	861,015	861,015
26							
27	Total noncurrent assets				95,387,836	95,422,261	90,559,497
28							
29	Deferred outflows of resources - loss of bond refunding				484,347	444,061	403,771
30							
31	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				121,020,295	105,660,344	104,848,518
32					Page 7		June 23, 2026

	A	B	C	D	E	F	G
34	San Gorgonio Memorial Healthcare District and Hospital				Actual	Forecast	Budget
35					Jun-25	Jun-26	Jun-27
36	Current liabilities:						
37		Accounts payable			14,641,797	9,903,693	10,627,897
38		Accrued salary, payroll taxes, and benefits			4,956,746	4,108,286	3,961,006
39		Estimated third-party payor settlements			1,178,672	1,411,020	1,411,020
40		Accrued Interest			1,902,536	2,136,549	2,051,651
41		Line of Credit			12,000,000	15,000,000	15,000,000
42		Current portion of subscriptions payable			181,360	129,153	124,729
43		Other current liabilities			219,121	210,493	160,493
44		Current portion of refundable advance			0	0	0
45		Current maturities of long-term debt			4,076,037	4,453,558	6,809,058
46		Current portion of leases payable			578,304	587,279	552,920
47		Legal settlement			0	0	0
48	Total current liabilities				39,734,573	37,940,031	40,698,773
49							
50	Long-term liabilities:						
51	Debt borrowings, net of current				111,634,536	106,878,450	97,803,878
52		Obligations under leases payable, less current portion			421,675	82,105	1,527,234
53		Obligations under subscriptions payable, less current portion			516,343	106,457	41,099
54		Other long-term liabilities - QIP				0	
55		Other long-term liabilities			52	28	46
56	Total long-term liabilities				112,572,606	107,067,040	99,372,257
57							
58	Total liabilities				152,307,179	145,007,071	140,071,030
59							
60	Net position:						
61	Net investment in capital assets				(47,155,895)	(47,155,895)	(47,155,895)
62	Restricted, by bond indenture for debt service				16,062,739	15,869,010	7,809,168
63	Unrestricted				(193,729)	(8,059,842)	4,124,215
64	Total net position				(31,286,885)	(39,346,727)	(35,222,512)
65							
66	TOTAL LIABILITIES AND NET POSITION				\$ 121,020,294	\$ 105,660,344	\$ 104,848,518
67					Page 8		June 23, 2026

	A	B	C	D
1	San Geronio Memorial Healthcare District			
2	Forecasted Statement of Cash Flows			
3	June 30 FYE			
4		Actual	Forecast	Budget
5		FYE 2025	FYE 2026	FYE 2027
6				
7	Cash flows from operating activities:			
8	Receipts from and on behalf of patients	69,170,356	71,267,857	73,531,571
9	Receipts (payments) from IGT supplemental funds	21,006,500	17,008,492	27,503,424
10	Receipts from other operating revenue	(5,889,695)	12,962,391	2,449,715
11	Taxation for operations	7,153,390	6,520,036	6,411,689
12	Payments to employees	(58,839,165)	(60,903,523)	(57,118,471)
13	Payments to suppliers, contractors, and other	(42,174,492)	(53,085,216)	(46,096,166)
14				
15	Net cash used in operating activities	(9,573,105)	(6,229,962)	6,681,762
16				
17	Cash flows from investing activities:			
18	Cash received from grants and other non-operating sources	69,065	0	0
19	Legal settlement	0	0	0
20	Beneficial interest in the net assets of SGH Foundation	(5,474)	0	0
21	Deferred outflows of resources - loss of bond refunding	40,291	40,286	40,290
22	Legal settlement	(3,471,561)	0	0
23	Proceeds from line of credit	0	3,000,000	13,000,000
24	Payments on line of credit	0	0	(13,000,000)
25	Proceeds from QIP loan	0	0	0
26	Payments from QIP loan	(2,637,471)	0	0
27				
28	Net cash used in investing activities	(6,005,150)	3,040,286	40,290
29				
30	Cash flows from financing activities:			
31	Principal payments on debt	(4,031,669)	(4,378,565)	(6,719,072)
32	Proceeds from debt	0	0	0
33	Principal payments on capital leases	(729,266)	176,301	1,410,769
34		Page 9		

	A	B	C	D
1	San Geronio Memorial Healthcare District			
2	Forecasted Statement of Cash Flows			
3	June 30 FYE			
4		Actual	Forecast	Budget
5		FYE 2025	FYE 2026	FYE 2027
6				
35	Proceeds from capital leases	0	0	0
36	Interest paid	(6,355,502)	(6,381,078)	(6,482,828)
37	Purchase of capital assets	(4,791,687)	(3,567,738)	(2,000,000)
38	Taxation for debt service	9,062,957	9,046,435	7,695,173
39	Principal payments on subscription leases	259,976	(301,429)	(133,577)
40	Intercompany payable/receivable	2,211	0	0
41	Grants and donations	11,623,408	7,239,083	4,236,878
42				
43	Net cash provided by (used in) financing activities	5,040,428	1,833,009	(1,992,657)
44				
45	Net increase (decrease) in cash and cash equivalents	(10,537,828)	(1,356,667)	4,729,395
46	Cash and cash equivalents at beginning of year	37,277,130	26,739,302	25,382,636
47				
48	Cash and cash equivalents at end of month	26,739,302	25,382,636	30,112,031
49				
50	Increase (decrease) in cash and cash equivalents:			
51	Cash flows from operating activities:			
52	Income (loss) from operations	(14,539,116)	(16,440,748)	(1,589,876)
53	Adjustments to reconcile net income to net cash provided by (used in) operating activities:	0	0	0
54	Depreciation	5,647,324	5,735,719	6,237,690
55	Provision for bad debts	0	0	0
56	Other adjustments	0	0	0
57	Changes in operating assets and liabilities:	0	0	0
58	Patient accounts receivable, net (NEW)	675,443	(1,274,250)	950,983
59	Other receivables	(8,234,635)	10,648,457	265,581
60	Taxes receivable - operating taxes	1,490,572	429,628	167,697
61		Page 10		

	A	B	C	D
1	San Gorgonio Memorial Healthcare District			
2	Forecasted Statement of Cash Flows			
3	June 30 FYE			
4		Actual	Forecast	Budget
5		FYE 2025	FYE 2026	FYE 2027
6				
62	Estimated third-party payor settlements	(25,799)	14,496	103,392
63	Inventories	(434,618)	(65,720)	0
64	Prepaid expenses and other	309,282	317,648	19,371
65	Accounts payable	5,260,691	(4,738,104)	724,204
66	Accrued salary, payroll taxes, and benefits	302,893	(848,460)	(147,280)
67	Other current liabilities	(25,142)	(8,628)	(50,000)
68	Refundable advance	0	0	0
69			0	
70	Total adjustments	4,966,011	10,210,786	8,271,637
71				
72	Net cash provided by (used in) operating activities	(9,573,105)	(6,229,962)	6,681,762
73				
74	Ending Balance:			
75	Unrestricted	7,146,971	2,965,178	8,317,636
76	Restricted, avail for curr debt service	47,294	2,431	4,443
77	Cash and cash equiv - Restricted, net amt avail for debt service	19,512,108	22,278,624	21,653,550
78	Cash and cash equiv - Board designated	32,928	136,402	136,402
79	Ending Balance	26,739,302	25,382,636	30,112,031
80				
81	Total Unrestricted cash	7,179,900	3,101,580	8,454,038
82		Page 11		6/23/2026

	A	B	C	D	E	F
1	SAN GORGONIO MEMORIAL HEALTHCARE (DISTRICT ONLY)					
2	INCOME STATEMENT	ACTUAL 2025	PROJECTED 2026	BUDGET 2027	VARIANCE 2027 TO 2026 (see note)	VARIANCE PER CENTAGE (see note)
3	NET INCOME	7,577,688	4,374,206	5,215,926	841,720	19.2%
4	EBIDA	4,934,162	4,214,265	3,744,087	(470,178)	-11.2%
5						
6	TOTAL OPERATING REVENUE	5,769,699	6,326,877	6,480,460	153,583	2.4%
7						
8	TOTAL OTHER OPERATING REVENUE	5,769,699	6,326,877	6,480,460	153,583	2.4%
9	OTHER REVENUE - OTHER	106,882	236,468	236,468	0	0.0%
10	OPERATING TAX REVENUES	5,662,817	6,090,409	6,243,992	153,583	2.5%
11	OPERATING REVENUE TAX REVENUE MH.	2,774,102	2,912,810	2,971,064	58,254	2.0%
12	OTHER REVENUE PROP 13	2,888,715	3,177,599	3,272,928	95,329	3.0%
13	OTHER REVENUE ABX 163	0	0	0	0	0.0%
14						
15	TOTAL OPERATING EXPENSE	835,537	2,112,612	2,736,373	(623,761)	-29.5%
16	PURCHASED SERVICES	523,545	2,030,688	2,491,052	(460,364)	-22.7%
17	LEGAL FEES	216,622	834,570	420,000	414,570	49.7%
18	GROUND PURCHASED SERVICES	41,631	42,125	42,125	0	0.0%
19	PURCHASED SERVICES - MANAGEMENT FEE	0	299,622	610,532	(310,910)	-103.8%
20	PURCHASED SERVICES OTHER - INCL EXECS	265,292	880,471	1,418,395	(537,924)	-61.1%
21	OTHER EXPENSES	311,992	81,924	245,321	(163,397)	-199.4%
22	UTILITIES	58,982	56,858	46,310	10,548	18.6%
23	ELECTION FEES	231,926	0	173,945	(173,945)	100.0%
24	OTHER	21,084	25,066	25,066	0	0.0%
25						
26	TOTAL NON-OPERATING REVENUE & EXPENSE	12,779,133	10,636,260	12,035,116	1,398,856	13.2%
27	OTHER NON-OPERATING REVENUE	3,834,251	2,879,352	2,099,863	(779,489)	-27.1%
28	NON-OPERATING INTEREST INCOME	444,313	632,921	632,921	0	0.0%
29	NON-OPERATING DONATIONS/GAIN ON SALE	3,389,938	2,246,431	1,466,942	(779,489)	-34.7%
30	NON-OPERATING TAX REVENUE	8,944,882	7,756,908	7,938,956	182,048	2.3%
31	EXTRAORDINARY REVENUE (EXPENSE)	0	0	1,996,297	1,996,297	0.0%
32						
33	TOTAL INTEREST & DEPRECIATION	10,135,607	10,476,319	10,563,277	(86,958)	-0.8%
34	DEPRECIATION	5,423,605	5,735,719	6,237,690	(501,971)	-8.8%
35	INTEREST & AMORTIZATION	4,712,002	4,740,600	4,325,587	415,013	8.8%
36						
37	Note: Favorable Variances are Shown as Positive and Unfavorable Variances are Shown as Negative					June 23, 2026
38			Page 12			

	A	B	C	D	E	F	G	H	I	J	K
1	San Gorgonio Memorial Hospital										
						6/23/2026					
2	3-Year Capital Budget						FY 2027		FY 2028		FY 2029
	FYE's 2027 - 2029										
3	DESCRIPTION		DEPARTMENT		Owner						
4											
5	Minor Equipment		Admin		Bjornberg		\$ 50,000		\$ 50,000		\$ 50,000
6	Seismic Compliance Testing		Admin		Peleuses				\$ 1,000,000		
7	Phone System		Admin						\$ 150,000		
8	Nurse Call system		Admin		Brady		\$ 400,000				
9											
10	Electrical Bike		Cardiac Rehab		Brady		\$ 1,500				
11	Treadmill (2 each)		Cardiac Rehab		Brady		\$ 3,000				
12											
13	Café Refrigerator 1985 to be replaced		Dietary		Hawthorne				\$ 20,000		
14	Walkin and Freezer		Dietary		Hawthorne						\$ 25,000
15	Steamer		Dietary		Hawthorne		\$ 30,000				
16											
17	Syngo Dynamics Server update		ECHO		Garewal		\$ 43,440				
18	Treadmill system		ECHO		Garewal		\$ 35,835				
19											
20	6 Wall Mounts otoscopes for rapid care		ED		Montes		\$ 30,000				
21	EKG Machine		ED		Montes		\$ 40,000				
22	Tele Transport Monitor hallway		ED		Montes		\$ 40,000				
23	Vital Signs x2		ED		Montes		\$ 30,000				
24	IV Pumps (\$4K each)		ED		Montes		\$ 32,000		\$ 16,000		\$ 4,000
25	Neuro Wow/Camera (New Vituity x3)		ED		Montes		\$ 30,000				
26											
27	Misc. Equip		HIM		Clark		\$ 10,000				
28											
29	Wifi Equipment Upgrade		I/T		Maja		\$ 150,000				
30	Altera Dragon (40 Licenses) -subscription?		I/T		Maja		\$ 55,444		\$ 55,444		\$ 55,444
31	Firewall Upgrades (support ends 7/26)		I/T		Maja		\$ 33,000				
32	Switches/IDF Upgrade		I/T		Maja		\$ 445,000				
33	Med-Surg Room Monitors		I/T		Maja		\$ 20,000				
34	Uninterruptable Power Supply (UPS) for IDF (expense?)		I/T		Maja		\$ 9,000		\$ 9,000		\$ 9,000
35											
36	ICU Diagnostic US Machine		ICU		Tagliapietra		\$ 45,000				
37	ICU EKG Machine		ICU		Tagliapietra		\$ 18,000				
38	ICU IV Pumps (\$4K each)		ICU		Tagliapietra		\$ 32,000		\$ 16,000		\$ 4,000
39											
40	Portable X-Ray Machine		Imaging		Chamberlin				\$ 145,000		
41											

	A	B	C	D	E	F	G	H	I	J	K
1	San Gorgonio Memorial Hospital										
						6/23/2026					
2	3-Year Capital Budget										
	FYE's 2027 - 2029						FY 2027		FY 2028		FY 2029
3	DESCRIPTION		DEPARTMENT		Owner						
42	Mammography w/ Tomo & Stereo		Imaging		Chamberlin				\$ 850,000		
43	ED Radiology Room		Imaging		Chamberlin		\$ 750,000				
44	2 Ultrasound Units		Imaging		Chamberlin				\$ 300,000		
45											
46	Microbiology Upgrade		Lab		Pendley		\$150,000				
47	Hematology CBC analyzers		Lab		Pendley				\$250,000		
48	Altera BB Interface		Lab		Pendley		\$162,000				
49											
50	Med-Surg Spectralink		M/S		Freude		\$ 5,400				
51	Med-Surg IV Pumps (4 each)		M/S		Freude		\$ 32,000		\$ 16,000		\$ 4,000
52											
53	Doppler Ultrasound System		O/R		Castillo				\$ 50,000		
54	New Scrub Sinks (& faucet repair/expense)		O/R		Castillo						
55	Power Set		O/R		Castillo						\$ 200,000
56	Washer/Sterilizer (end of life)		O/R		Castillo		\$ 207,785				
57	Robotic Table		O/R		Castillo						\$ 100,000
58	Fracture Table/Spinal table		O/R		Castillo				\$ 250,000		
59											
60											
61	Panda Infant Warmer		OB		Castro				\$ 35,000		
62	Labor Bed 2 each)		OB		Castro				\$ 40,000		
63	Guest pull-out bed/chairs x 11		OB		Castro				\$ 43,000		
64	ICU IV Pumps (\$4K each)		OB		Castro		\$ 8,000				
65	Delivery Room Monitor Carts		OB		Castro				\$ 30,000		\$ 15,000
66											
67	IV Hood Replacement		Pharmacy		Lopez		\$ 10,000				
68											
69	Automatic Transfer Switch		Plant		Cassidy		\$ 506,000		\$ 275,000		
70	Floor Replacement due Poor Moisture sealant		Plant		Cassidy		\$ 254,000				
71	Cooling Tower Media		Plant		Cassidy		\$ 72,000		\$ 72,000		
72	ED Lighting		Plant		Cassidy		\$ 22,000				
73	EV Charging Stations		Plant		Cassidy		\$ 71,500		\$ 72,000		
74	Fire Alarm Upgrade		Plant		Cassidy		\$ 248,000				
75	Parking Lot Repairs and Striping (expense)		Plant		Cassidy						
76	Circulating Pump		Plant		Cassidy		\$ 17,000		\$ 17,000		
77	Air Curtain Fly Fan x 4		Plant		Cassidy		\$ 31,000		\$ 31,000		
78	Storage containers (3)		Plant		Cassidy		\$ 83,000				
79	Medcial Gas Control panel replacement /OB		Plant		Cassidy		\$ 36,000				
80	Sterile Processing Humidification System		Plant		Cassidy		\$ 286,000				
81	Package A/C Units (6each)		Plant		Cassidy		\$ 24,200		\$ 25,000		
82											

	A	B	C	D	E	F	G	H	I	J	K
1	San Gorgonio Memorial Hospital				6/23/2026		FY 2027		FY 2028		FY 2029
2	3-Year Capital Budget										
	FYE's 2027 - 2029										
3	DESCRIPTION	DEPARTMENT		Owner							
83	Total Lift Bed	Rehab		Kumaran					\$ 40,000		
84											
85											
86	Vapotherm (4 each)	RT		Caruso			\$ 20,803				
87	Ventilators (3 each)	RT		Caruso			\$ 68,228		\$ 68,228		\$ 68,228
88											
89	Metal Detectors - OB, ER, & Main Entrances	Security		Hunter			\$ 600,000				
91											
92	Total Requests						\$ 5,248,135		\$ 3,925,672		\$ 534,672
93	Less Donated Equipment						\$ (750,000)				
94	Less Donations / Grants						\$ (600,000)				
95	Less Property Tax Proceeds						\$ -				
96	Requests Over (Under) Funds						\$ 3,898,135		\$ 3,925,672		\$ 534,672

TAB D

San Gorgonio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Item for June 30, 2026 Finance & Board Meetings

Subject: Approve final Expenditure of Measure A Funds for Capital Project Reimbursement

Background: There are some residual funds remaining from the Measure A 2009 General Obligation Bonds that are available for expenditure. Ryan Marshall, CFO, and Dan Heckathorne, Executive Director for Finance reviewed this matter with Brian Quint, who has served as the District's Bond Counsel for many years.

Proposed Action : Mr. Quint agreed with our suggestion that it would be appropriate to have the District Board authorize the "expenditure" of these funds by reimbursing the District for a recent long-term capital project.

As such, the project that comes to mind is the recent upgrade of the Ultrasound rooms. This project was incorporated into the Spect C/T project in the past year. Although the Spect C/T project received a \$2.1M grant, there were not enough funds to cover all the costs associated with the C/T project and the Ultrasound rooms upgrades, and therefore the District covered the balance of these costs.

Given this scenario, we would like to request authorization from the Board to transfer these Measure A funds to Operations to help offset a portion of the costs of the U.S. rooms upgrades.

A copy of the invoice, along with the proof of two ACH wires to pay the invoice is included as support for the application of the Measure A Bonds funds toward a long-term asset.

Recommendation: That the San Gorgonio Memorial Hospital District Board approve the transfer of these Measure A funds to partially replenish the payments made from the operations account toward this payment on the Ultrasound Rooms project. The amount in the Measure A account at the time of this writing is \$102,642.37.

Sayco Builders, Inc.

Application and Certificate for Payment (Invoice)

TO OWNER:

San Geronio Memorial Hospital
600 N. Highland Springs Ave.
Banning, CA 92220

PROJECT:

SGMH Remodel for New Spect CT (Room 119)

APPLICATION NO:

10

Distribution to:

PERIOD TO:

5-Jan-2026

Owner

CONTRACT FOR:

Construction Services

CONTRACT DATE:

PURCHASE ORDER:

FROM CONTRACTOR:

Sayco Builders, Inc.
31566 Railroad Canyon Road Ste 2 #1414
Canyon Lake, CA 92587

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, Schedule of values, is attached.

1. ORIGINAL CONTRACT SUM	\$1,587,554.07
2. Net change by Change Orders	\$552,020.96
3. CONTRACT SUM TO DATE	\$2,139,575.03
4. TOTAL COMPLETED & STORED TO DATE	\$1,983,116.72
5. RETAINAGE:	
a 5.00% of completed work.....	\$ 99,155.84
b 0.00% of stored material.....	\$ -
6. TOTAL EARNED LESS RETAINAGE	\$1,883,960.88
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$1,739,820.05
8. CURRENT PAYMENT DUE	\$144,140.83
9. BALANCE TO FINISH (Including Retention)	\$255,614.15

The Undersigned Contractor certifies that to the best of the Contractors knowledge, information and belief the work covered by this application for payment has been completed in accordance with previous Certificates for payment were issued and payment received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: Brandon Say, Owner Date: 5-Jan-2026
State of: California
County of: Riverside

Signature: 

Signature: _____

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$552,020.96	\$0.00
Total approved this month	\$0.00	\$0.00
TOTALS	\$552,020.96	\$0.00
NET CHANGES by Change Order		\$552,020.96

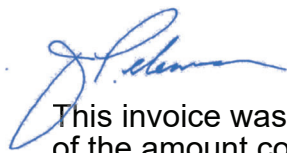
CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and data comprising this application, the Owner certifies that to the best of Owners knowledge, information and belief the work has progressed as indicated the quality of the work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT LISTED.

AMOUNT APPROVED:..... **\$144,140.83**

OWNER / OWNER REP

By: _____ Date: _____


This invoice was in excess of the amount covered by the ARPA Grant

**SCHEDULE OF VALUES
SAYCO BUILDERS**



Project: SGMH Remodel for New Spect CT (Room 119)

Application NO:

10

Application Date:

05-Jan-26

OSHPD #: S240638-33

Facility Project #

A ITEM NO:	B DESCRIPTION OF WORK	C ORIGINAL CONTRACT	D APPROVED CHANGES	E REVISED CONTRACT AMOUNT	F WORK COMPLETED		G TOTAL COMPLETED TO DATE	H % (G/C)	I BALANCE TO FINISH (E-H)	J RETAINAGE
					FROM PREVIOUS APPLICATION (F+G)	THIS PERIOD				
					00700	GENERAL CONDITIONS				
01313	SUPERVISION & PM	166,400.00	1,300.00	167,700.00	150,930.00	8,385.00	159,315.00	95%	8,385.00	7,965.75
01573	SAFETY / FIRST AID	4,300.00	1,800.00	6,100.00	5,490.00	305.00	5,795.00	95%	305.00	289.75
01743	GENERAL LABOR	46,210.00	500.00	46,710.00	39,703.50	2,335.50	42,039.00	90%	4,671.00	2,101.95
02220	BUILDING DEMOLITION	48,860.00	52,090.00	100,950.00	100,950.00	0.00	100,950.00	100%	0.00	5,047.50
03000	CONCRETE	17,875.00	22,000.00	39,875.00	17,875.00	22,000.00	39,875.00	100%	0.00	1,993.75
05120	STEEL / UNISTRUT / ANCHORING	6,500.00	0.00	6,500.00	6,500.00	0.00	6,500.00	100%	0.00	325.00
06100	ROUGH CARPENTRY	6,400.00	0.00	6,400.00	6,400.00	0.00	6,400.00	100%	0.00	320.00
06400	ARCHITECTURAL WOODWORK	47,780.00	4,750.00	52,530.00	52,530.00	0.00	52,530.00	100%	0.00	2,626.50
07500	ROOFING	9,840.00	0.00	9,840.00	9,840.00	0.00	9,840.00	100%	0.00	492.00
08000	DOORS & FRAMES	74,200.00	8,719.03	82,919.03	74,627.13	4,145.95	78,773.08	95%	4,145.95	3,938.65
09255	METAL FRAMING	143,874.85	41,050.00	184,924.85	160,424.85	15,253.76	175,678.61	95%	9,246.24	8,783.93
09500	CEILINGS	35,950.00	8,350.00	44,300.00	42,085.00	0.00	42,085.00	95%	2,215.00	2,104.25
09600	FINISH FLOORING	19,220.00	33,110.00	52,330.00	27,145.53	19,951.47	47,097.00	90%	5,233.00	2,354.85
09900	PAINTING	7,200.00	7,200.00	14,400.00	12,240.00	720.00	12,960.00	90%	1,440.00	648.00
10260	WALL & CORNER GUARDS	0.00	9,375.00	9,375.00	8,437.50	468.75	8,906.25	95%	468.75	445.31
13400	LEAD SHIELDING / LEAD WINDOWS	8,950.00	0.00	8,950.00	8,950.00	0.00	8,950.00	100%	0.00	447.50
15210	MEDICAL GAS	16,900.00	37,280.00	54,180.00	25,601.26	23,160.74	48,762.00	90%	5,418.00	2,438.10
15300	FIRE SPRINKLERS	9,854.00	0.00	9,854.00	9,854.00	0.00	9,854.00	100%	0.00	492.70
15400	PLUMBING	81,800.00	68,066.25	149,866.25	96,693.75	30,692.56	127,386.31	85%	22,479.94	6,369.32
15700	HVAC	324,715.00	87,401.00	412,116.00	392,786.85	0.00	392,786.85	95%	19,329.15	19,639.34
15950	AIR BALANCE	0.00	2,592.50	2,592.50	0.00	0.00	0.00	0%	2,592.50	0.00
16000	ELECTRICAL	215,600.00	56,132.00	271,732.00	252,484.73	0.00	252,484.73	93%	19,247.27	12,624.24
13850	FIRE ALARM	25,643.00	11,475.00	37,118.00	24,126.70	0.00	24,126.70	65%	12,991.30	1,206.34
16710	NURSE CALL SYSTEM	13,703.14	18,622.00	32,325.14	22,627.60	0.00	22,627.60	70%	9,697.54	1,131.38
18000	INSURANCE	28,349.18	9,436.27	37,785.45	31,739.78	3,022.83	34,762.61	92%	3,022.84	1,738.13
19050	CONTRACTOR FEE	141,745.90	70,771.91	212,517.81	178,514.96	17,001.42	195,516.38	92%	17,001.42	9,775.82
	TOTAL	1,587,554.07	552,020.96	2,139,575.03	1,831,389.54	151,727.18	1,983,116.72	93%	156,458.31	99,155.84



Wire Confirmation

The wire transfer request below has been transmitted successfully.

Transmitted: 02/13/2026 03:49:40 pm (ET)

Transmitted By: LUZ8510

Account	Template Name	Recipient Name	Amount	Currency	Effective Date	Confirmation Number	Approval Status
Hospital Operating Disbursement Acct - *7230	Sayco	Sayco Builders	75,000.00	USD	02/13/2026	1426372924	1 of 1 received



Wire Confirmation

The wire transfer request below has been transmitted successfully.

Transmitted: 03/02/2026 04:58:54 pm (ET)

Transmitted By: LKEYSER

Account	Template Name	Recipient Name	Amount	Currency	Effective Date	Confirmation Number	Approval Status
Hospital Operating Disbursement Acct - *7230	Sayco	Sayco Builders	69,140.83	USD	03/02/2026	293094879	1 of 1 received