



AGENDA

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

Tuesday, June 24, 2025

11:00 AM

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 S. DiBiasi

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** S. DiBiasi A
• May 27, 2025, regular meeting

NEW BUSINESS

- IV. *** Proposed Action – Recommend Approval to the Hospital Board and the Healthcare District Board** D. Heckathorne B
 ▪ **Annual Insurance Renewals**
 ▪ **Property and Casualty Program**
 ▪ **ROLL CALL**
- V. *** Proposed Action – Recommend Approval to Hospital Board** D. Heckathorne handout
 ▪ **May 2025 Financial Report (Unaudited)**
 ▪ **ROLL CALL**
- VI. ***Proposed Action – Recommend approval to the Hospital Board and the Healthcare District Board of FYE 2026 Operating and Capital Budgets** D. Heckathorne C
 ▪ **ROLL CALL**
- VII. CEO Report S. Barron verbal
- VIII. Future Agenda Items
- IX. Next Meeting – July 29, 2025 @ 9:00 AM.
- X. Adjournment S. DiBiasi

*** 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 20, 2025, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Hospital - 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 20, 2025



Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
May 27, 2025

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, May 27, 2025, in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Darrell Petersen, Ron Rader, Steve Rutledge

Members Absent: None

Required Staff: Steve Barron (CEO), Angie Brady (CNE), Daniel Heckathorne (CFO), John Peleuses (VP, Ancillary & Support Services), Annah Karam (CHRO), Ariel Whitley (Executive Assistant)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
Call To Order	Susan DiBiasi called the meeting to order at 9:02 am.									
Public Comment	No public present.									
OLD BUSINESS										
Proposed Action - Approve Minutes April 29, 2025, regular meeting	Susan DiBiasi asked for any changes or corrections to the minutes of the April 29, 2025, regular meeting. There were none.	The minutes of the April 29, 2025, regular meeting will stand correct as presented.								
NEW BUSINESS										
Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – April 2025	<p>Daniel Heckathorne, CFO, reviewed the Unaudited April 2025 finance report.</p> <p>The month of April resulted in a positive \$1.16M EBIDA compared to budgeted positive EBIDA of \$244K. Overall Surplus was \$1.78M compared to the budgeted Surplus of \$435K.</p> <p>ROLL CALL:</p> <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="width: 25%;">DiBiasi</td> <td style="width: 25%;">Yes</td> <td style="width: 25%;">Petersen</td> <td style="width: 25%;">Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Petersen	Yes	Rader	Yes	Rutledge	Yes	M.S.C. (Rutledge/Petersen), the SGMH Finance Committee voted to recommend approval of the Unaudited April 2025 Financial Report to the Hospital Board of Directors.
DiBiasi	Yes	Petersen	Yes							
Rader	Yes	Rutledge	Yes							

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
<p>Proposed Action – Recommend Approval to the Hospital Board and the Healthcare District Board</p> <ul style="list-style-type: none"> Annual Insurance Renewals 	<p>The Annual Insurance Renewals were presented to the committee by Dan Heckathorne, CFO. The Insurance Renewals include:</p> <ul style="list-style-type: none"> Professional and General Liability Directors and Officers Liability Employment Practices Liability Auto Liability Workers’ Compensation <p>ROLL CALL:</p> <table border="1" data-bbox="386 600 1213 669"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Petersen</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Petersen	Yes	Rader	Yes	Rutledge	Yes	<p>M.S.C. (DiBiasi/Rader), the SGMH Finance Committee voted to recommend approval of the Annual Insurance Renewals to the Hospital Board and the Healthcare District Board of Directors as presented.</p>
DiBiasi	Yes	Petersen	Yes							
Rader	Yes	Rutledge	Yes							
<p>CEO Report</p>	<p>No formal report.</p>									
<p>Blue Cross Contract and Related Issues – Discussion</p>	<p>Susan DiBiasi and staff discussed the current terms and conditions of the Blue Cross contract. Steve Barron and staff are working on negotiating the contract and will provide an update at a later time.</p>									
<p>Future Agenda Items</p>	<ul style="list-style-type: none"> Budget Review Blue Cross Discussion Update 									
<p>Next Meeting</p>	<p>The next regular Finance Committee meeting will be held on June 24, 2025 @ 9:00 am.</p>									
<p>Adjournment</p>	<p>The meeting was adjourned at 10:22 am.</p>									

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 Geronio Memorial Hospital and San Geronio Memorial Health Care District

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

Agenda Items for June 24, 2025 Finance Committee and July 1, Board Meetings

Subject: Annual Insurance Renewals:

A) Property and Casualty Programs

- 1) All Risk Property Coverage including Business Interruption Coverage (excluding green coverage)
- 2) Boiler and Machinery
- 3) Flood
- 4) Cyber and Excess Cyber
- 5) Crime
- 6) Fiduciary Liability (renewed February, 2025 for \$5,193)
- 7) Underground Storage Tanks Pollution (renewed March, 2025 for \$1,177)
- 8) Deadly Weapon Response
- 9) Crime (continuation for SGMH Foundation November, 2024, at \$1,566)
- 10) Cyber Optional Boost Coverage (New product offered by Beazley)

Property and Casualty Program – The Districts’ Broker, Courtney Ramirez, Senior Vice President of the Public Entity Division of Alliant Insurance Services, and her team, have represented SGMHCD for several years, and have obtained coverages available to Public Entities via the Hospital All Risk Property Program (HARPP). The HARPP program continues to provide the best combination of affordability and comprehensive coverages for the District.

Included is information regarding the Insurance markets, along with the specifics for San Geronio Memorial District/Hospital. Ms. Ramirez reports that this HAARP program is still the best option for SGMH, as many major insurance carriers are not taking additional risk in the California market.

The renewal packet is primarily impacted by an improvement in the marketplace for commercial coverages. This results in a 3.68% drop in premium for the coming year.

Finally, the District’s Cyber carrier (Beazley) has developed a new product that increases limits on key components of cyber crime exposure. After reviewing this matter with Ms. Ramirez, we have concluded that this provides a very important increase in key coverages and that the cost is justified given the additional coverages being offered.

Recommendations: That Option 2 renewal package be approved at an overall cost of \$444,635 for the Hospital All Risk Property Program (HARPP), plus upgrade to \$5M Green limit for \$7,622, plus addition of Cyber Boost Coverage of \$70, 610. Note: As in all previous years, we have declined Terrorism Risk Insurance option offered by the Federal Government (see attached explanation).

Final note: In order to secure these insurance coverages before the June 30 deadline, Shannon McDougall, District Board Chair and Pat Brown, District Board Secretary directed staff to bind these offers prior to the deadline.



San Geronio Memorial Healthcare District

2025-2026

Insurance Renewal Meeting

Presented on June 10, 2025 by:

Courtney L. Ramirez
Senior Vice President

Josie Charley
Account Manager

**San Gorgonio Memorial Healthcare District
2025/26 Executive Summary**

as of: 6/06/2025

	Premium 7/1/24 - 7/1/25	Premium 7/1/25 - 7/1/26	Δ	Notes
Hospital All Risk Property Program (HARPP): Property, B&M, Cyber & Pollution				
Policy Limits: \$250,000,000 All Risk				
Deductible: \$25,000 All Risk				
Exposure	234,525,507	244,914,337	4.43%	TIV
Rate per \$100 of TIV	0.16342	0.15100	-7.60%	
Premium:	\$ 383,272	\$ 369,828	-3.51%	Bindable/Final
APIP Cyber Excess				
Policy Limits: \$2,000,000 Each Member Aggregate / \$2,000,000 Policy Aggregate				
Premium	\$ 61,071	\$ 56,750	-7.08%	Bound
Alliant Deadly Weapon Response Program (ADWRP)				
Policy Limits: \$500,000 Each And Every Deadly Weapon Event/ Aggregate				
Deductible: \$10,000 Each And Every Deadly Weapon Event				
Exposure	234,525,507	244,917,337	4.43%	TIV
Premium	\$ 7,160	\$ 7,260	1.40%	Bound
Crime (ACIP)				
Policy Limits: \$5,000,000				
Deductible: \$25,000				
Exposure	489	635	29.86%	EE Count
Premium	\$ 10,096	\$ 10,797	6.94%	Bound
Total	\$ 461,599	\$ 444,635	-3.68%	

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)

July 1, 2025 – July 1, 2026

EXECUTIVE SUMMARY

Attached is the annual renewal summary for the Hospital All Risk Property Program (HARPP) effective 7/1/2025. A summary of the most significant matters is provided below for your review.

After multiple years in a hard market cycle, the property market has significantly improved in 2025. Generally, Insured's that are loss free will see a rate reduction at the 2025/26 renewal. Insureds that have large increases in exposure or are loss challenged will be individually underwritten.

For the 2025/26 renewal, Berkshire Hathaway Specialty Insurance (BHSI) will lead the first \$30,000,000 of the program. Maximum program limits are \$1,250,000,000 and will be placed with worldwide markets rated at A.M. Best A- VII or higher. Insureds should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating insureds will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage (1st and 3rd parties) for eligible insureds continues to be provided as an option. Please refer to coverage as outlined on the following proposal which includes a summary of proposed changes for this renewal. Additional excess options are available, if requested for insureds with good security controls in place. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage (1st and 3rd parties) for eligible insureds continues to be provided as an option. Please refer to coverage as outlined on the following proposal which includes a summary of proposed changes for this renewal. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – it is important to note on the attached proposal whether the vehicle and/or contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the insured must submit a schedule of vehicles or a vehicle valuation reporting form (provided in the pre-renewal packet), and vehicles must be valued at today's Replacement Cost (new). If values are not reported at Replacement Cost (new), the vehicle/contractor's equipment valuation basis will be ACV
- Alliant Business Services (ABS) continues to play a significant role, not only in providing a wide range of loss control services, but also by offering appraisal services, business interruption assessments, valuation, consulting, and infrared testing. Please refer to our program brochure inserts for further details of our ABS services. For the program, property valuations are a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every seven to ten years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on an insureds schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Finally, Alliant provides a Cyber Resilience Services Subscription Bundle which is available to HARPP clients. The Alliant Cyber Consulting Practice helps clients identify, evaluate, remediate, transfer, and respond to the cyber risks that matter most, driving better cyber risk management, resilience and insurability outcomes. Brochure is included, ask your Alliant representative for more details.

Please review important Disclosure and Loss Notification information included in your renewal materials. Your review and acknowledgement of these documents are required via your signature once you authorize a request to bind coverage with your Alliant representative. Although this proposal packet is as complete as possible, the program is being negotiated up to the 7/1/2025 effective date. We will endeavor to provide any known material changes prior to renewal. All coverage items currently under review with HARPP markets to be effective on 7/1/2025, are listed at the end of each coverage proposal being quoted.

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)
July 1, 2025 – July 1, 2024
EXECUTIVE SUMMARY

The following table depicts key financial statistics relative to last year:

Year-over-Year Rate and Premium Comparison

<u>San Geronio Memorial Healthcare District</u>	<u>2024-2025 (at 12/17/2024)</u>	<u>2025-2026</u>	<u>Variance</u>
Total Insurable Values (TIV):	\$ 234,525,507	\$ 244,914,337	4.43%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 371,653.65	\$ 357,709.40	-3.75%
Cyber Liability Annual Cost:	\$ 8,751.73	\$ 9,310.96	6.39%
Pollution Liability Annual Cost:	\$ 2,866.34	\$ 2,807.53	-2.05%
Total Account Rate (\$/100):	0.1634243	0.1510030	-7.60%
**Total Annual Cost:	\$ 383,271.72	\$ 369,827.89	-3.51%

*Property Annual Cost includes: all premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

** Total Annual Cost includes the following: Property Annual Cost, cyber and pollution when purchased.

Thank you for your continued support of HARPP. We look forward to working with you this next year. Please let us know if you have any questions about your renewal.

NOTICE OF CANCELLATION: 90 Days except 10 Days for non-payment of premium

EXPIRING/RENEWAL OPTION 1	
	Annual Cost*
Total Property Premium:	\$ 333,205.00
Excess Boiler:	\$ 3,231.00
Cyber Liability Premium:	\$ 9,024.00
Pollution Liability Premium:	\$ 2,721.00
ABS Fee:	\$ 2,653.00
SLT&F's (Estimate)	\$ 11,072.16
Broker Fee:	\$ 7,921.73
TOTAL COST †: (Including Taxes and Fees)	\$ 369,827.89
<p>*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment. Please refer to invoice for new lock box remittance for address and account information.</p> <p>† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)</p>	

OPTIONAL QUOTE(S) All terms and conditions are the same as quoted above with the exception of the following:

RENEWAL OPTION 2	
SELECTIONS:	\$ 5,000,000 Upgrade to Green Limit
	Annual Cost*
Total Property Premium:	\$ 340,330.00
Excess Boiler:	\$ 3,231.00
Cyber Liability Premium:	\$ 9,024.00
Pollution Liability Premium:	\$ 2,721.00
ABS Fee:	\$ 2,745.00
SLT&F's (Estimate)	\$ 11,298.74
Broker Fee:	\$ 8,099.85
TOTAL COST †: (Including Taxes and Fees)	\$ 377,449.59
<p>*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment. Please refer to invoice for new lock box remittance for address and account information.</p> <p>† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)</p>	

beazley

The BBR Boost Endorsement

This endorsement is available to members of the program, who elect to buy a BBR or BBR+Excess endorsement and who want to increase the sub limits most closely associated with ransomware claims from the standard limit of USD 750,000 to the full available per member, program limit of USD 2,000,000.

The Insuring clauses on the policy that Boost relates to are:-

Business Interruption Loss Resulting from a Security Breach

Business Interruption Loss Resulting from System Failure

Cyber Extortion

Data Recovery Costs

In order to obtain this increased cover there is a charge of 25% of any BBR endorsement premium option purchased.

If BBR+Excess is purchased the Boost related limits are also increased to the full limit on the excess limit portion too.

Ransomware attacks are still on the increase and in many ransomware events not only does the bad actor encrypt data, they also steal data too. This scenario means that the affected entity has a potential privacy breach as well as the effects their data being encrypted and locked down. The original BBR endorsement offers additional notification, legal and forensic limits that are in addition to and outside of such coverage available under the policy, and these limits are unique to the member that has purchased this endorsement.

If the BBR endorsement is elected alongside the Liability (ie BBR+Excess), then the 25% Additional Premium charge will be calculated on the portion of premium allocated solely to the BBR premium and not the combined BBR+Excess premium.

BBR Boost limits are part of the overall program aggregate. Underwriting is required with the need for MFA for remote access and EPP to be in place.

**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

APIP CYBER PROGRAM - OPTIONAL COVERAGES

Type of Coverage	Breach Response Services Endorsement – Claims Made & Reported
Program	Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)
Named Insured	San Geronio Memorial Healthcare District
Policy Period	July 1, 2025 to July 1, 2026
Retroactive Date	Follows APIP Cyber Policy
Coverage Form	Beazley Breach Response (BBR) Endorsement (Attaching to and forming part of Policy No. TBD)
Insurance Company	Lloyd's of London – Beazley Syndicates: 2623/623
A.M. Best Rating	A+ s (Superior), Financial Size Category: XV (Greater than or Equal to USD 2.00 Billion) as of August 07, 2024
Standard & Poor's Rating	AA- (Very Strong), as of June 14, 2024
Admitted Status	Non-Admitted
Endorsement & Exclusions (including but not limited to)	Follows Primary Beazley Policy

Notes:

1. Notified Lives and Legal / Forensics / PR / CM limit is the aggregate limit provided for all Insureds / Members named on the endorsement.
2. BI and DBI coverages are part of a \$750K aggregate sublimit within the overall aggregate limit as per the underlying layer for non-Boost options.
3. Proposal cannot be bound until the APIP cyber program's underlying aggregate program limit is determined.
4. Coverage is non-follow form for sublimited coverages under APIP Policy.

BBR Endorsement

Notification: **Notified Individuals** – includes notification services, call center services, and credit & identity monitoring with respect to a Data Breach or Security Breach incident. The Notified Individuals limit is in addition to the APIP Cyber Program’s Member Aggregate Limit and Policy Aggregate Limit.

Legal / Forensics / Public Relations (PR) & Crisis Management (CM): The Legal Services / Computer Expert Services / Public Relations and Crisis Management Expenses limit is in addition to the APIP Cyber Program’s Member Aggregate Limit and Policy Aggregate Limit. This coverage is with respect to a Data Breach or Security Breach incident.

Additional Breach Response Costs Limit: Increases the \$1,000,000 per Member Aggregate Sublimit for the Breach Response costs with Beazley nominated vendors in the APIP Cyber Program to \$2,000,000 per Member Aggregate Limit. This coverage is with respect to a Data Breach or Security Breach incident. The Additional Breach Response Costs Limit is within the APIP Cyber Program’s Member Aggregate Limit and Policy Aggregate Limit.

BBR Endorsement Retentions / Thresholds: Privacy Breach Response Services Threshold / Retention (Each Claim / Incident)

Notification Threshold: **100** Notified Individuals

Legal/Forensics/PR/CM Retention: **\$10,000** combined, but only **\$5,000** for Legal Services (Legal is part of, not in addition to combined). The retentions listed herein are part of and not in addition to the policy retentions, should they apply.

If Beazley Security is used as the vendor for Computer Security Expert Services, any fees and costs for such services will not be subject to the retention noted above for this coverage part only.

Boost Option

The first party limits shown below are within the APIP Cyber Program’s Member Aggregate Limit and Policy Aggregate Limit and can only be purchased with the BBR endorsement

First Party Loss coverages	\$2,000,000	Business Interruption Loss resulting from Security Breach
become full limit:	\$2,000,000	Business Interruption Loss resulting from System Failure
	\$2,000,000	Cyber Extortion Loss
	\$2,000,000	Data Recovery Costs

Coverage Option Descriptions **Option 1A, 2A, 3A, 4A – BBR Only** (Notified Lives & Legal / Forensics / PR / CM)
Option 1A+Boost, 2A+Boost, 3A+Boost, 4A+Boost – BBR with Boost (BBR Only plus Increased First Party Loss)
Increased limit options may be available upon request

Option	Notified Lives Limit	Legal / Forensics / PR / CM Limit	Increased First Party Loss Limit	<u>Premium</u>	<u>SL Tax</u>	<u>SL Fee</u>	<u>Total Cost</u>
1A	50,000	\$500,000	N/A	\$22,984.50	\$689.54	\$41.37	\$23,715.41
2A	100,000	\$500,000	N/A	\$29,878.50	\$896.36	\$53.78	\$30,828.64
3A	250,000	\$500,000	N/A	\$38,842.50	\$1,165.28	\$69.92	\$40,077.70
4A	500,000	\$500,000	N/A	\$54,747.00	\$1,642.41	\$98.54	\$56,487.95
1A+Boost	50,000	\$500,000	\$2,000,000	\$28,730.63	\$861.92	\$51.72	\$29,644.27
2A+Boost	100,000	\$500,000	\$2,000,000	\$37,348.13	\$1,120.44	\$67.23	\$38,535.80
3A+Boost	250,000	\$500,000	\$2,000,000	\$48,553.13	\$1,456.59	\$87.40	\$50,097.12
4A+Boost	500,000	\$500,000	\$2,000,000	\$68,433.75	\$2,053.01	\$123.18	\$70,609.94

Proposal Valid Until **July 1, 2025**

Subjectivities

- *Recently Signed / Dated Application within 60 days prior to inception shall be required upon binding*
- *Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.*

Conditions

- Security is 100% Lloyds of London, Beazley Syndicate 2623/623
- All Surplus Lines Taxes/Fees are Fully Earned
- Compliance with applicable laws including filings and payment of taxes and fees is the responsibility of the insured, the insurance agent or insurance broker. If coverage is bound, please advise the license number of the producer making the filing

ALLIANT INSURANCE SERVICES

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

June 4, 2025

Named Insured: **San Gorgonio Memorial Healthcare District**

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance. The below is for TRIA coverage as issued by the United States of America and is not tied to or representative of the Terrorism coverage offered in our property insurance program.

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act.* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAYBE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE CAN BE REQUESTED BELOW AND WILL NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

**SELECTION OR REJECTION OF THE TERRORISM RISK INSURANCE ACT, as AMENDED
(A.K.A.: TRIA, TRIEA, TRIPRA, TRIP OR TRIPA. We refer to these collectively as "TRIA".)**

THIS COVERAGE IS OUTSIDE OF THE PROGRAM'S TERRORISM COVERAGES AND LIMITS. IT IS PROVIDED AND OVERSEEN BY THE U.S. GOVERNMENT.

THIS COVERAGE IS CONSIDERED RESTRICTIVE COMPARED TO THE APIP TERRORISM LIMITS AND COVERAGES AVAILABLE. THIS ACT DOES NOT FOLLOW OUR PROGRAM'S TERRORISM POLICIES.

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	I am interested in receiving a quote for Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act. Please provide a quote.
	I hereby decline to purchase Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act.

Policyholder/applicant signature

Print Name

Date

San Geronio Memorial Healthcare District

TAB C

San Geronio Memorial Healthcare District Hospital and San Geronio Memorial Hospital FY 2026 Operating and Capital Budgets

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

Agenda Item for June 24, 2025 Finance Committee and July 1, 2025 Board Meetings

Subject:

Recommendation for Approval of San Geronio Memorial Healthcare District and San Geronio Memorial Hospital June 30, 2026 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 2026 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 Geronio Memorial Healthcare District and San Geronio Memorial Hospital FYE June 30, 2026 Operating and Capital Budgets as presented.

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT and HOSPITAL

FYE June 30, 2026 Budget Package

Operating Budget

Assumptions

Workload Indicators

Statement of Revenues and Expenses

Combined Balance Sheet:

San Gorgonio Memorial Hospital & District

Cash Flow Statement

Capital Budget

SGMHD Operating Budget

Prepared: June 17, 2025

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT AND HOSPITAL

FYE June 30, 2026 Budget Assumptions

Overview:

There are several key elements which will (or may) impact the upcoming year's budget:

Federal - Reimbursement revisions - There are projected looming changes and cuts to the Medi-Cal program. This could impact key areas:

- a) Supplemental Funding – It is difficult to predict how this will be impacted – fortunately for San Gorgonio, the practice of booking these fundings “upon receipt” vs. “accruing” for future funding should avoid negative impacts for the upcoming budget year. In other words, the Supplemental Funding for which San Gorgonio will attain in 2026 will be based on historical volumes which should be honored in the existing reimbursement formulas. Nevertheless, there are certain Supplemental Funding Programs which may succumb to the final Federal Budget outcomes which could significantly impact future years' revenues.
- b) Med-Cal Enrollment – It is expected that there will be a significant drop in the number of enrollees in the Program. The ultimate outcome will result in there being a much larger transition to Self-Pay patient status, with subsequent and direct increases in Bad Debts and Charity care.
- c) Medicare – The program is predicted to remain intact. This budget includes the prospect that the Low Volume reimbursement that San Gorgonio enjoys will be reinstated, similar to previous year's actions.

State - A significant portion of the Prop 35 Managed Cared Taxes have been redirected to other general programs.

Supplemental Funding (State) – The following impacts this budget:

- a) There will be a \$1,588,205 drop in Rate Range for FY 2026 (volume changes).
- b) There was a \$556,064 drop in AB113 QIP funds in FY 2025, which carries into FY 2026 (volume changes).
- c) The FY 2026 Pay4Performance funds are projected to drop by \$217,563 due to State funding to Health Plans.
- d) DSH Income for FY 2026 is projected to increase by \$670,375 (volume changes).
- e) Other funding (in lieu of Prop 35) may increase by \$850,000.

Inflation – The budget currently does not include any inflation factors; first, the past year has seen significant inflation, second, there are already signs of cost reductions, i.e., most States have seen decreases in the cost of fuel which is a significant driver in the production of goods and supplies, and third, it is almost impossible to predict what, if any, the proposed “tariff” taxes will have on goods and services needed to provide healthcare services.

Key Issues:

Growth Opportunities:

Programs:

Full year operation of the Certified Stroke Program

Full year of Family and Women's Clinic and ramp-up of related Newborn Deliveries

Nuclear Medicine growth during second-half of the year resulting from the new Spect C/T equipment

Expansion of the Residency and Fellowship Programs

Continuation of Physician Specialty Coverages in Emergency Room

Workloads:

A general overall 12.0% Inpatient workload increase (Stroke = 9.5% and OB = 2.5%), a 1.2% general Outpatient workload increase, both of which impact the 5.1% Adjusted Patient Day increase.

Operations:

Revenues:

Increase of \$302K due to managed care contracts increases, \$42K for Medicare O/P increases, and \$547K for Residency Reimbursement (to offset cost increase). No increase in Medi-Cal Reimbursement is included.

Supplemental Funding, DSH, P4P, and Other Income will decrease by \$407K.

An aggregated overall 3.50% increase in patient charge rates for FYE 2026 will be implemented (following increases of 4.46% in FY 2023 and 72.2% in FY 2022.). No significant Revenue capture is budgeted at this time.

Operating Tax Revenues are projected to increase by \$401K due to taxable valuation volume increases.

Expenses:

Focus to continue with 2025 Operating and Staffing levels – Slight increases in various areas required for patient safety, quality, compliance monitoring or otherwise mandated by regulation, and flex down during lower volume periods

Wages are expected to grow proportionate to workload volume increases and for new positions require for patient safety, quality, compliance monitoring, and regulatory mandates including supplemental reporting, etc. The budget also includes \$1,096,212 for the mandated CPSL. At this point, the budget does not include increases in compensation, except for various market adjustments required during the current or upcoming year.

Employee Benefits net of FICA are projected to increase slightly by 2.04% due to modest premium price increases.

Ensure Operational Efficiencies:

An increase in Contract Labor of \$694K due to hiring several more ADEX Registry staff (3 in Med Surg, and 3 each in E/R and ICU/DOU starting in October), which will cost less than regular registry costs. As such this is projected to result in significant reductions in double time and overtime costs estimated at \$415K.

Physician fees (excluding Clinic & Residency) for Departmental and On-Call coverage will increase by \$1.04M (13%).

Purchased Services costs to decrease slightly including net collections increase for Altera and Guidehouse, increase for basic legal fees, C/T Scanning, a \$694K reduction in Accounting fees and \$194K in Lab fees.

Supplies cost increases are based on FY 2025 rates plus workload volume changes.

Utilities increases are based on current year trends.

Insurance Expenses to adjust to new workload volumes plus nominal price increases.

Other Expenses overall to generally remain consistent with FY 2025 fees.

Leases/Rentals are impacted (as in 2024) by the changes in GASB requirements for equipment and software leases booking requirements. (Non-Operating Depreciation Expense is also impacted by these GASB requirements.)

Capital and Financing:

Key Items: Significant investments in I/T including Switches/Cloud Upgrades, Operating Room Lights, Fire Alarm Upgrade, Sterile Processor Humidification System, Metal Detectors at 3 main entrances, Ventilators, Seismic Compliance Testing (continued), along with donated capital for the Spect C/T scanner and renovations, and ongoing support of operations of the Family & Women's Clinic program.

Pursuing compliance with Line of Credit covenants.

Continue pursuit of Funding and Grants opportunities.

Debt Service for Bridge Loan Financing and 2021 Revenue Bonds are pledged from the Ad Valorem Taxes, but will be funded from operations.

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.

Renewal of the \$12M Line of Credit in March, 2026 is included.

Deferral of first 11 months repayment of Distressed Hospital CHFFA loan is anticipated, along with subsequent request for forgiveness of this amount (\$1,996,291).

Other Notes:

Clinic Operations: The financial projections for the Clinic are included in various categories of the Budget, and although some of the items are difficult to project, here is a summary of those items:

a) Gross Outpatient Revenues	\$1,156,006
b) Deductions from Revenues (Contractuals)	<u>\$ 798,267</u>
c) Net Patient Revenues	\$ 357,739
d) Other Revenues – Per Member per Month	\$ 626,000
e) Contributions*– Morongo Band Mission Indians	\$ 733,306
f) Grant Application in Progress	\$ 200,000
g) Total Budgeted Expenses	\$1,917,045
h) Net	-0-

Contributions Note: Based on the above forecast, it is anticipated there will be approximately \$644,000 of funds remaining from the Morongo Band of Mission Indians' 2024 contribution to support the Family and Women's Clinic operations in future fiscal years.

Report Format:

The 2026 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	I
1	SAN GORGONIO MEMORIAL HEALTH CARE DISTRICT AND HOSPITAL	ACTUAL 2023	ACTUAL 2024	FORECAST 2025	BUDGET 2026	VARIANCE 2026 TO 2025	VARIANCE PERCENTAGE
2	WORKLOAD INDICATORS						
3							
4	PATIENT DAYS	7,636	8,195	9,406	10,533	1,127	12.0%
5							
6	AVERAGE DAILY CENSUS	20.92	22.39	25.77	28.86	3.09	12.0%
7							
8	INPATIENT ADMISSIONS/DISCHARGES	2,186	2,107	2,432	2,734	302	12.4%
9							
10	AVERAGE LENGTH OF STAY	3.49	3.89	3.87	3.85	(0.02)	-0.4%
11							
12	EMERGENCY VISITS	41,821	42,119	43,722	44,226	504	1.2%
13							
14	EMERGENCY VISITS PER DAY	115	115	120	121	1	1.2%
15							
16	SURGICAL CASES	1,433	1,197	1,153	1,153	0	0.0%
17							
18	G.I. CASES	242	261	299	321	22	7.4%
19							
20	NEWBORN DELIVERIES	131	112	98	206	108	110.2%
21							
22	PAID FTE'S (INCLUDING CONTRACT FTE'S)	469	480	493	522	30	6.1%
23							
24	ADJUSTED PATIENT DAYS	21,417	23,679	25,218	26,493	1,275	5.1%
25							
26	PAID FTE'S PER ADJUSTED PATIENT DAY	8.00	7.41	7.13	7.20	(0.07)	-1.0%
27							
28	Patient Day increases include an estimated 891 days related to the Stroke Program and 236 days related to the increase in Obstetrical Program patients.						
29							
30	Note: Favorable Variances are Shown as Positive and Unfavorable Variances are Shown as Negative						
							June 17, 2025

	A	B	C	D	E	F	G
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL						
2							
3	INCOME STATEMENT	ACTUAL 2023	ACTUAL 2024	PROJECTED 2025	BUDGET 2026	VARIANCE 2026 TO 2025 (see note)	VARIANCE PER CENTAGE (see note)
4	NET INCOME	(2,138,626)	4,999,317	2,278,183	(7,315,876)	(9,594,059)	-421.1%
5	EBIDA	95,004	919,400	(7,230,951)	(8,649,336)	(1,418,385)	-19.6%
6							
7	TOTAL OPERATING REVENUE	88,934,094	93,423,405	97,048,829	103,652,610	6,603,781	6.8%
8	NET PATIENT REVENUE	60,683,187	59,702,793	66,070,067	72,679,857	6,609,790	10.0%
9	GROSS REVENUE FROM PATIENT SERVICES	476,970,252	499,110,454	547,749,463	713,640,412	165,890,949	30.3%
10	TOTAL INPATIENT REVENUE	170,061,363	172,739,203	204,302,548	239,770,757	35,468,209	17.4%
11	TOTAL OUTPATIENT REVENUE	306,908,889	326,371,251	343,446,915	473,869,655	130,422,740	38.0%
12	DEDUCTIONS FROM REVENUE	(416,287,065)	(439,407,661)	(481,679,396)	(640,960,555)	(159,281,159)	-33.1%
13	CONTRACTUAL ALLOWANCES	(402,542,457)	(428,138,633)	(468,533,886)	(626,407,631)	(157,873,745)	-33.7%
14	BAD DEBT EXPENSE	(12,575,294)	(10,619,147)	(12,019,130)	(13,337,060)	(1,317,930)	-11.0%
15	CHARITY WRITE OFFS	(1,169,314)	(649,881)	(1,126,380)	(1,215,864)	(89,484)	-7.9%
16							
17	TOTAL OTHER OPERATING REVENUE	28,250,907	33,720,612	30,978,762	30,972,753	(6,009)	0.0%
18	OTHER REVENUE - RATE RANGE	11,273,599	15,552,501	13,986,036	12,397,831	(1,586,205)	-11.4%
19	OTHER REVENUE - OTHER SUPPLEMENTALS	5,309,174	5,457,138	5,686,048	5,873,708	187,660	3.3%
20	OTHER REVENUE - DSH	1,468,419	1,966,950	1,012,070	1,682,445	670,375	66.2%
21	OTHER REVENUE - P4P	1,209,554	1,001,998	1,299,263	1,081,700	(217,563)	-16.7%
22	OTHER REVENUE - OTHER	4,125,161	4,047,460	2,383,788	2,924,719	540,931	22.7%
23	OPERATING TAX REVENUES	4,865,000	5,694,565	6,611,557	7,012,350	400,793	6.1%
24	OPERATING REVENUE TAX REVENUE MH.	2,560,821	2,910,102	3,078,812	3,078,812	0	0.0%
25	OTHER REVENUE PROP 13	2,276,487	2,617,205	3,532,745	3,933,538	400,793	11.3%
26	OTHER REVENUE ABX 163	27,692	167,258	0	0	0	0.0%
27							
28	TOTAL OPERATING EXPENSE	88,839,090	92,504,005	104,279,780	112,301,946	(8,022,166)	-7.7%
29	TOTAL LABOR EXPENSE	55,851,318	58,497,856	61,506,626	64,786,260	(3,279,634)	-5.3%
30	EMPLOYEE WAGES & BENEFITS	54,876,259	56,866,790	59,658,608	62,243,985	(2,585,377)	-4.3%
31	WAGES	43,616,652	47,071,032	49,356,783	51,775,086	(2,418,303)	-4.9%
32	EMPLOYEE BENEFITS	11,259,607	9,795,758	10,301,825	10,468,899	(167,074)	-1.6%
33	CONTRACT LABOR	975,059	1,631,066	1,848,018	2,542,275	(694,257)	-37.6%
34							
35	PHYSICIAN FEES	3,596,869	5,105,493	7,853,999	9,947,430	(2,093,431)	-26.7%
36	PURCHASED SERVICES	10,363,881	11,617,050	13,627,542	13,800,771	(173,229)	-1.3%
37	SUPPLIES	11,439,041	9,379,436	12,580,004	14,573,338	(1,993,334)	-15.8%
38	UTILITIES	1,116,447	1,256,085	1,348,474	1,377,950	(29,476)	-2.2%
39	REPAIRS AND MAINTENANCE	921,676	1,215,398	1,194,364	1,109,710	84,654	7.1%
40	INSURANCE	1,434,578	1,527,597	1,725,117	1,995,171	(270,054)	-15.7%
41	OTHER EXPENSES	2,921,117	2,821,517	3,600,177	3,731,782	(131,585)	-3.7%
42	LEASE AND RENTALS	1,194,163	1,083,573	843,477	979,554	(136,077)	-16.1%
43							
44	TOTAL NON-OPERATING REVENUE & EXPENSE	9,522,789	15,908,261	21,824,956	13,646,960	(8,177,996)	-37.5%
45	OTHER NON-OPERATING REVENUE	1,591,039	5,802,244	3,804,745	3,893,756	89,011	2.3%
46	NON-OPERATING INTEREST INCOME	206,541	703,277	1,024,579	1,010,450	(14,129)	-1.4%
47	NON-OPERATING DONATIONS/GAIN ON SALE	1,384,498	5,098,967	2,780,166	2,883,306	103,140	3.7%
48	NON-OPERATING TAX REVENUE	7,931,750	12,889,870	8,450,009	7,756,913	(683,096)	-8.2%
49	EXTRAORDINARY REVENUE (EXPENSE)	0	(2,783,853)	9,570,202	1,996,291	(7,573,911)	-79.1%
50							
51	TOTAL INTEREST & DEPRECIATION	11,756,419	11,828,344	12,315,822	12,313,500	2,322	0.0%
52	DEPRECIATION	5,940,464	5,459,825	5,599,258	6,030,167	(430,909)	-7.7%
53	INTEREST & AMORTIZATION	5,815,955	6,368,519	6,716,564	6,283,333	433,231	6.5%
54							
55	Note: Favorable Variances are Shown as Positive and Unfavorable Variances are Shown as Negative						

	A	B	C	D	E	F	G	U
1	San Gorgonio Memorial Healthcare District and Hospital							June 17, 2025
2	Balance Sheet							
3					Actual	Actual	Forecast	Budget 2026
4	Assets				Jun-23	Jun-24	Jun-25	Jun-26
5								
6	Current assets:							
7		Cash and cash equivalents			\$ 14,521,085	\$ 19,438,107	\$ 12,725,563	\$ (2,683,165)
8		Unrestricted			12,282,286	19,432,488	12,594,539	(1,696,548)
9		Restricted, Measure D			2,238,799	5,619	(711,629)	(986,617)
10	Patient account receivables:							
11		Patient accounts receivable, net			12,177,379	9,681,423	8,686,562	9,333,474
12		Taxes receivable			1,724,469	2,078,826	809,295	1,497,781
13		Other receivables			817,375	(2,631,352)	(1,965,472)	(1,452,723)
14		Estimated third-party payor settlements			488,283	0	170,575	317,887
15		Inventories			1,311,782	2,075,662	2,200,000	2,200,000
16		Prepaid expenses and other			397,785	673,404	693,606	714,414
17								
18	Total current assets				31,438,158	31,316,070	22,477,476	9,927,668
19								
20	Noncurrent assets:							
21		Capital assets - Nondepreciable			4,828,182	5,272,223	7,322,605	7,732,605
22		Capital assets - Net of accumulated depreciation			68,624,345	69,998,109	70,653,651	68,923,484
23		Cash and cash equiv - Restricted, net amt avail for debt service			8,824,535	17,823,242	19,960,292	20,763,643
24		Cash and cash equiv - Board designated			278,232	15,780	22,456	22,480
25		Beneficial interest in the net assets of SGH Foundation			460,457	855,541	855,541	855,541
26								
27	Total noncurrent assets				83,015,751	93,964,895	98,814,544	98,297,752
28								
29	Deferred outflows of resources - loss of bond refunding				564,926	524,638	471,494	431,204
30								
31	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				115,018,835	125,805,603	121,763,513	108,656,624
32								
33								
34								

	A	B	C	D	E	F	G	U
35	San Gorgonio Memorial Healthcare District and Hospital				Actual	Actual	Forecast	Budget
36	Current liabilities:				Jun-23	Jun-24	Jun-25	Jun-26
37		Accounts payable			11,869,458	9,381,106	11,826,373	12,495,230
38		Accrued salary, payroll taxes, and benefits			6,606,049	4,653,853	6,130,904	7,438,931
39		Estimated third-party payor settlements			2,460,269	1,204,471	1,653,480	363,628
40		Accrued Interest			2,035,149	2,035,136	2,151,057	1,970,003
41		Line of Credit			4,000,000	12,000,000	12,000,000	12,000,000
42		Current portion of subscriptions payable			254,936	116,534	57,482	60,149
43		Other current liabilities			0	244,262	653,216	1,090,175
44		Current portion of refundable advance			0	0	0	0
45		Current maturities of long-term debt			5,711,385	6,387,556	4,076,038	4,453,558
46		Current portion of leases payable			406,643	334,083	300,687	232,512
47		Legal settlement			3,417,500	3,471,561	0	0
48								
49	Total current liabilities				36,761,389	39,828,562	38,849,237	40,104,186
50								
51	Long-term liabilities:							
52	Debt borrow	Debt borrowings, less of current portion			107,968,726	115,992,157	110,708,127	103,952,158
53		Obligations under leases payable, less current portion			867,282	533,200	232,512	0
54		Obligations under subscriptions payable, less current portion			437,722	321,193	528,933	471,451
55		Other long-term liabilities - QIP			4,852,624	0	0	0
56		Other long-term liabilities			0	0	36,028	36,028
57	Total long-term liabilities				114,126,354	116,846,550	111,505,600	104,459,637
58								
59	Total liabilities				150,887,743	156,675,109	150,354,836	144,563,823
60								
61	Net position:							
62	Net investment in capital assets				(46,932,245)	(46,932,245)	(46,932,245)	(46,932,245)
63	Restricted, by bond indenture for debt service				11,063,337	11,063,337	16,062,739	18,340,922
64	Unrestricted				0	4,999,402	2,278,183	(7,315,876)
65								
66	Total net position				(35,868,908)	(30,869,506)	(28,591,323)	(35,907,199)
67								
68	TOTAL LIABILITIES AND NET POSITION				\$ 115,018,835	\$ 125,805,603	\$ 121,763,514	\$ 108,656,624

	A	B	C	D	E	F	G	H	I	J	K
1	San Gorgonio Memorial Hospital				6/17/2025		FY 2026		FY 2027		FY 2028
2	3-Year Capital Budget FYE's 2026 - 2028										
3	DESCRIPTION	DEPARTMENT		Owner							
4	Hospitalwide Badge Computer Access	Admin		Brady			\$ 58,740		\$ 58,740		
5	Minor Equipment	Admin		Barron			\$ 260,000				
6	Seismic Compliance Testing	Admin		Peleuses			\$ 250,000				
7											
8	Patient Transport Van (3 each)	Behavioral H.		Maciel					\$ 25,000		\$ 50,000
9											
10	Electriccal Bike	Cardiac Rehab		Brady			\$ 1,000				
11	Treadmill (2 each)	Cardiac Rehab		Brady			\$ 4,000				
12	Women's and Family Clinic	Clinic		Brady			\$ 733,306				
13											
14	Patient tray cart	Dietary		Hawthorne			\$ 5,000		\$ 5,000		\$ 5,000
15	Disaster Food Replacement	Dietary		Hawthorne			\$ 37,000				
16	Dietary Food Management (Software System)	Dietary		Hawthorne			\$ -				
17											
18	Syngo Dynamics Server update	ECHO		Garewal			\$ 43,440				
19	Treadmill system	ECHO		Garewal			\$ 35,835				
20											
21	Computer Arms	ED		Phillippi							
22	Space IV Pumps (x 4;/ year)	ED		Phillippi			\$ 32,000		\$ 16,000		\$ 16,000
23											
24	CD Image Maker	HIM		Cornwall			\$ 16,620		\$ -		
25											
26	IS Upgrades and Server Replacements	I/T		Maja					\$ -		
27	Altera Dragon (40 Licenses)	I/T		Maja							
28	Firewall Upgrades	I/T		Maja			\$ -		\$ -		
29	Outlook Upgrade to Cloud	I/T		Maja			\$ 35,000				
30	Switches/IDF Upgrade	I/T		Maja			\$ 493,000				
31	Med-Surg Room Monitors	I/T		Maja			\$ 30,000				
32	Uninterruptable Power Supply (UPS) for IDF	I/T		Maja			\$ 20,000				
33	Firewall - Second Layer	I/T		Maja			\$ 35,000				
34											
35	ICU AccuVein	ICU		Tagliapietra					\$ 6,000		
36	ICU Bladder Scanner	ICU		Tagliapietra			\$ 12,000				
37	ICU Diagnostic US Machine	ICU		Tagliapietra					\$ 45,000		
38	ICU EKG Machine	ICU		Tagliapietra			\$ 18,000				
39	ICU IV Pumps (5 each)	ICU		Tagliapietra			\$ 32,000		\$ 4,000		

	A	B	C	D	E	F	G	H	I	J	K	
1	San Gorgonio Memorial Hospital					6/17/2025		FY 2026		FY 2027		FY 2028
2	3-Year Capital Budget											
	FYE's 2026 - 2028											
3	DESCRIPTION		DEPARTMENT		Owner							
40												
41	Flouroscopy/Rad Room (Room 2)		Imaging		Chamberlin	\$	-	\$	-			
42	Rad Room 1		Imaging		Chamberlin			\$	900,000			
43	PAC'S Cube Replacement		Imaging		Chamberlin			\$	16,200			
44	Portable X-Ray Machine		Imaging		Chamberlin			\$	130,000			
45	Hybrid CT/NM Camera (Spect)		Imaging		Chamberlin	\$	2,350,000	\$	-			
46	Mammography w/ Tomo & Stereo		Imaging		Chamberlin	\$	-	\$	1,600,000			
47	ED Radiology Room		Imaging		Chamberlin	\$	-	\$	500,000			
48	DI Reading Workstation		Imaging		Chamberlin			\$	65,000			
49	Ultrasound Units (2 2ach)		Imaging		Chamberlin			\$	300,000			
50	PACS Workstation		Imaging		Chamberlin			\$	60,795			
51								\$	-			
52	CS-2500 Coagulation Analyzer (Back-up Unit)		Lab		Hazley							
53	Chemistry Analyzers		Lab		Hazley							
54	Osmometer		Lab		Hazley	\$	27,000					
55	Altera BB Interface		Lab		Hazley			\$	162,000			
56	Blood Bank Program Upgrade		Lab		Hazley			\$	110,000			
57												
58	Med-Surg Nurse Call		M/S		Freude			\$	288,698			
59	Med-Surg IV Pumps (4 each)		M/S		Freude	\$	20,000					
60												
61	Doppler Ultrasound System		O/R		Castillo			\$	43,575			
62	New Scrub Sinks (& faucet repair)		O/R		Castillo	\$	29,053	\$	-			
63	Power Set		O/R		Castillo	\$	-	\$	145,366			
64	Operating Lights		O/R		Castillo	\$	200,000	\$	-			
65	Robotic Table		O/R		Castillo			\$	100,000			
66	Fracture Table/Spinal table		O/R		Castillo	\$	-	\$	236,465			
67	Stotz Bipolar		O/R		Castillo			\$	28,510			
68												
69	Panda Infant Warmer		OB		Garcia			\$	35,000			
70	Labor Bed 2 each)		OB		Garcia			\$	37,500			
71	Guest pull-out bed/chairs x 11		OB		Garcia			\$	42,350			
72	Centricity Upgrade		OB		Garcia	\$	28,000					
73	Delivery Room Monitor Carts		OB		Garcia			\$	30,000	\$	15,000	
74												
75	IV Hood Replacement		Pharmacy		Lopez	\$	10,000					
76												
77	Automatic Transfer Switch		Plant		Sanchez	\$	-	\$	460,000	\$	260,000	
78	Floor Replacement due Poor Moisture sealant		Plant		Sanchez	\$	-	\$	231,000			

	A	B	C	D	E	F	G	H	I	J	K	
1	San Gorgonio Memorial Hospital					6/17/2025		FY 2026		FY 2027		FY 2028
2	3-Year Capital Budget FYE's 2026 - 2028											
3	DESCRIPTION		DEPARTMENT		Owner							
79	Cooling Tower Media		Plant		Sanchez		\$ 65,000		\$ 65,000			
80	ED Lighting		Plant		Sanchez				\$ 20,000			
81	EV Charging Stations		Plant		Sanchez				\$ 65,000		\$ 65,500	
82	Fire Alarm Upgrade		Plant		Sanchez		\$ 225,000					
83	Parking Lot Repairs and Striping		Plant		Sanchez		\$ 80,000		\$ 80,000		\$ 75,000	
84	Circulating Pump		Plant		Sanchez		\$ 15,000		\$ 15,000			
85	Air Curtain Fly Fan x 4		Plant		Sanchez		\$ 28,000		\$ 28,000			
86	Storage containers (3)		Plant		Sanchez		\$ -		\$ 75,000			
87	Medcial Gas Control panel replacement /OB		Plant		Sanchez		\$ 33,000		\$ 20,000			
88	Sterile Processing Humidification System		Plant		Sanchez		\$ 260,000					
89	Package A/C Units (6each)		Plant		Sanchez		\$ 22,000		\$ 24,000			
90												
91	Total Lift Bed		Rehab		Kumaran				\$ 37,641			
92												
93	Vapotherm (5 each)		RT		Caruso		\$ 27,918					
94	BiPAP (3 each)		RT		Caruso		\$ 58,275					
95	Ventilators (4 each)		RT		Caruso		\$ 75,598					
96												
97	Metal Detectors - OB, ER, & Main Entrances		Security		Hunter		\$ 90,000					
99	Visitor Camera System		Security		Hunter				\$ 38,000		\$ 38,000	
100												
101	Total Requests						\$ 5,795,785		\$ 6,149,840		\$ 524,500	
102	Less Donated Equipment						\$ (2,150,000)					
103	Less Donations						\$ (733,306)					
104	Less Property Tax Proceeds						\$ (3,000,000)					
105	Requests Over (Under) Funds						\$ (87,521)					

	A	B	C	D	E
1	San Geronio Memorial Healthcare District				6/17/2025
2	Forecasted Statement of Cash Flows				
3	June 30 FYE				
4		Actual	Actual	Forecast	Budget
5		FYE 2023	Jun-24	Jun-25	Jun-26
6					
7	Cash flows from operating activities:				
8	Receipts from and on behalf of patients	74,879,976	65,463,908	67,343,362	69,595,781
9	Receipts (payments) from IGT supplemental funds		18,930,163	21,983,417	21,035,684
10	Receipts from other operating revenue	2,091,367	8,511,937	1,717,908	2,411,970
11	Taxation for operations	1,738,317	5,768,611	6,975,687	7,012,350
12	Payments to employees	(54,816,363)	(58,818,986)	(58,181,557)	(60,935,958)
13	Payments to suppliers, contractors, and other	(31,883,298)	(38,819,660)	(41,744,859)	(51,212,493)
14					
15	Net cash used in operating activities	(7,990,001)	1,035,973	(1,906,043)	(12,092,666)
16					
17	Cash flows from investing activities:				
18	Cash received from grants and other non-operating sources	4,315,731	587,398	54,248	0
19	Legal settlement	0	(3,161,790)	0	0
20	Beneficial interest in the net assets of SGH Foundation	50,823	(395,084)	0	0
21	Deferred outflows of resources - loss of bond refunding	0	0	53,144	40,290
22	Legal settlement	0	54,061	(3,471,561)	0
23	Proceeds from line of credit	0	20,000,000	0	18,000,000
24	Payments on line of credit	(8,000,000)	(12,000,000)	0	(18,000,000)
25	Proceeds from QIP loan	2,620,996	0	0	0
26	Payments from QIP loan	0	(2,231,628)	(2,637,471)	0
27					
28	Net cash used in investing activities	(1,012,450)	2,852,957	(6,001,640)	40,290
29					
30	Cash flows from financing activities:				
31	Principal payments on debt	(3,150,942)	(3,700,712)	(3,750,585)	(4,076,038)
32	Proceeds from debt	9,175,000	9,800,000	0	0
33	Principal payments on capital leases	(608,561)	(406,643)	(334,084)	(300,687)
34	Proceeds from capital leases	0	0	0	0

	A	B	C	D	E
1	San Geronio Memorial Healthcare District				6/17/2025
2	Forecasted Statement of Cash Flows				
3	June 30 FYE				
4		Actual	Actual	Forecast	Budget
5		FYE 2023	Jun-24	Jun-25	Jun-26
35	Interest paid	(5,875,113)	(5,201,623)	(6,600,643)	(6,058,621)
36	Purchase of capital assets	(1,888,943)	(8,939,823)	(8,325,611)	(5,093,806)
37	Taxation for debt service	11,184,146	12,461,467	9,355,410	7,756,913
38	Principal payments on subscription leases	(17,423)	(101,183)	148,688	(54,815)
39	Intercompany payable/receivable	0	753,892	2,211	0
40	Grants and donations	0	5,098,967	11,978,368	5,251,597
41					
42	Net cash provided by (used in) financing activities	8,818,164	9,764,342	2,473,754	(2,575,457)
43					
44	Net increase (decrease) in cash and cash equivalents	(184,287)	13,653,272	(5,433,928)	(14,627,833)
45	Cash and cash equivalents at beginning of year	11,540,825	23,623,858	37,277,130	32,708,310
46					
47	Cash and cash equivalents at end of month	11,356,539	37,277,130	31,843,202	18,080,478
48					
49	Increase (decrease) in cash and cash equivalents:				
50	Cash flows from operating activities:				
51	Income (loss) from operations	(5,845,459)	(5,688,144)	(12,830,209)	(14,679,503)
52	Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
53	Depreciation	5,940,464	6,100,067	5,599,258	6,030,167
54	Provision for bad debts	12,575,295	10,619,147	12,019,130	13,337,060
55	Other adjustments	0	0	0	0
56	Changes in operating assets and liabilities:	0	0	0	0
57	Patient accounts receivable, net (NEW)	(16,005,683)	(8,123,191)	(11,024,269)	(13,983,972)
58	Other receivables	(599,563)	3,609,683	(665,880)	(512,749)
59	Taxes receivable - operating taxes	(424,401)	74,046	364,130	(688,486)
60	Estimated third-party payor settlements	1,404,684	(767,515)	278,434	(1,437,164)
61	Inventories	517,680	(763,880)	(124,338)	0
62	Prepaid expenses and other	(51,583)	(275,619)	(20,202)	(20,808)

	A	B	C	D	E
1	San Geronio Memorial Healthcare District				6/17/2025
2	Forecasted Statement of Cash Flows				
3	June 30 FYE				
4		Actual	Actual	Forecast	Budget
5		FYE 2023	Jun-24	Jun-25	Jun-26
63	Accounts payable	(1,453,020)	(2,488,352)	2,445,267	668,857
64	Accrued salary, payroll taxes, and benefits	(59,910)	(1,952,196)	1,477,051	1,308,027
65	Other current liabilities	0	244,262	408,954	436,959
66	Refundable advance	0	0	0	0
67					
68	Total adjustments	1,843,963	6,276,452	10,757,535	5,137,891
69					
70	Net cash provided by (used in) operating activities	(4,001,496)	588,308	(2,072,674)	(9,541,612)
71					
72	Ending Balance:				
73	Unrestricted	12,282,286	19,432,489	12,572,083	(1,719,028)
74	Restricted, avail for curr debt service	2,238,799	5,619	(711,629)	(986,617)
75	Cash and cash equiv - Restricted, net amt avail for debt service	8,824,535	17,823,242	19,960,292	20,763,643
76	Cash and cash equiv - Board designated	278,232	15,780	22,456	22,480
77	Ending Balance	23,623,852	37,277,130	31,843,202	18,080,478
78					
79	Total Unrestricted cash	12,560,518	19,448,269	12,594,539	(1,696,548)

	A	B	C	D	E	F	G
1	SAN GORGONIO MEMORIAL HEALTHCARE (DISTRICT ONLY)						June 17, 2025
2							
3	INCOME STATEMENT	ACTUAL 2023	ACTUAL 2024	PROJECTED 2025	BUDGET 2026	VARIANCE 2026 TO 2025 (see note)	VARIANCE PER CENTAGE (see note)
4	NET INCOME	3,621,279	13,686,104	4,382,940	4,897,020	514,080	11.7%
5	EBIDA	4,257,397	5,286,625	4,842,424	5,934,515	1,092,091	22.6%
6							
7	TOTAL OPERATING REVENUE	4,865,000	6,829,891	6,001,399	7,025,545	1,024,146	17.1%
8							
9	TOTAL OTHER OPERATING REVENUE	4,865,000	6,829,891	6,001,399	7,025,545	1,024,146	17.1%
10	OTHER REVENUE - OTHER	0	1,135,326	13,195	13,195	0	0.0%
11	OPERATING TAX REVENUES	4,865,000	5,694,565	5,988,204	7,012,350	1,024,146	17.1%
12	OPERATING REVENUE TAX REVENUE MH.	2,560,821	2,910,102	3,078,812	3,078,812	0	0.0%
13	OTHER REVENUE PROP 13	2,276,487	2,617,205	2,909,392	3,933,538	1,024,146	35.2%
14	OTHER REVENUE ABX 163	27,692	167,258	0	0	0	0.0%
15							
16	TOTAL OPERATING EXPENSE	607,603	1,543,266	1,158,975	1,091,030	67,945	5.9%
17	PURCHASED SERVICES	362,688	908,384	828,292	760,347	67,945	8.2%
18	LEGAL FEES	112,687	396,348	319,688	251,743	67,945	21.3%
19	GROUND PURCHASED SERVICES	140,559	115,434	40,715	46,855	(6,140)	-15.1%
20	PURCHASED SERVICES OTHER	109,442	396,602	467,889	461,749	6,140	1.3%
21	OTHER EXPENSES	244,915	634,882	330,683	330,683	0	0.0%
22	ELECTION FEES	207,375	0	231,926	231,926	0	0.0%
23	OTHER	37,540	634,882	98,757	98,757	0	0.0%
24							
25	TOTAL NON-OPERATING REVENUE & EXPENSE	9,522,789	18,725,047	11,856,368	11,276,005	(580,363)	-4.9%
26	OTHER NON-OPERATING REVENUE	1,591,039	5,796,967	3,406,359	3,519,092	112,733	3.3%
27	NON-OPERATING INTEREST INCOME	206,541	698,000	626,193	635,786	9,593	1.5%
28	NON-OPERATING DONATIONS/GAIN ON SALE	1,384,498	5,098,967	2,780,166	2,883,306	103,140	3.7%
29	NON-OPERATING TAX REVENUE	7,931,750	12,889,870	8,450,009	7,756,913	(693,096)	-8.2%
30	EXTRAORDINARY REVENUE (EXPENSE)	0	38,210	0	0	0	0.0%
31							
32	TOTAL INTEREST & DEPRECIATION	10,158,907	10,325,568	12,315,852	12,313,500	2,352	0.0%
33	DEPRECIATION	5,023,124	5,459,825	5,599,258	6,030,167	(430,909)	-7.7%
34	INTEREST & AMORTIZATION	5,135,783	4,865,743	6,716,594	6,283,333	433,261	6.5%
35							
36	Note: Favorable Variances are Shown as Positive and Unfavorable Variances are Shown as Negative						