



AGENDA

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

**Tuesday, June 27, 2023 – 9:00 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
 - May 30, 2023, regular meeting A

NEW BUSINESS

- IV. * **Proposed Action – Recommend approval to the Hospital Board and the Healthcare District Board to acquire Mindray Cardiac Monitors and related anesthesia equipment** J. Peleuses B
▪ **ROLL CALL**
- V. * **Proposed Action – Recommend approval to the Hospital Board and the Healthcare District Board of the acquisition of IT Upgrades and Server Replacements (end of life equipment)** C. Maja Handout
▪ **ROLL CALL**
- VI. * **Proposed Action – Recommend approval to the Executive Committee of the Hospital Board** D. Heckathorne C
• **Annual Insurance Renewals**
○ **Property and Casualty Programs**
▪ **ROLL CALL**
- VII. * **Proposed Action – Recommend approval to Hospital Board** D. Heckathorne D
• **May 2023 Financial Report (Unaudited)**
▪ **ROLL CALL**
- VIII. * **Proposed Action – Recommend approval to Hospital Board and Healthcare District Board of FYE 2024 Operating, Capital and Cash Flow Budgets** D. Heckathorne E
• **ROLL CALL**
- IX. Future Agenda Items
- X. Next Meeting – July 25, 2023
- XI. 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 23, 2023, 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

San Geronio Memorial Hospital Board of Directors
Finance Committee – Regular Meeting
June 27, 2023

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, on June 23, 2023

A handwritten signature in black ink that reads "Ariel Whitley". The signature is written in a cursive, flowing style.

Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
Tuesday, May 30, 2023

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, May 30, 2023, in Classroom B, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi, Ron Rader, Steve Rutledge

Members Absent: Darrell Petersen

Required Staff: Steve Barron (CEO), Daniel Heckathorne (CFO), Ariel Whitley (Executive Assistant), John Peleuses (VP Support & Ancillary Svs.)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Susan DiBiasi called the meeting to order at 9:04 am.	
Public Comment	No public present.	
OLD BUSINESS		
Proposed Action - Approve Minutes April 25, 2023, regular meeting	Susan DiBiasi asked for any changes or corrections to the minutes of the April 25, 2023, regular meeting. There were none.	The minutes of the April 25, 2023, regular meeting will stand correct as presented.
NEW BUSINESS		
Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – April 2023	<p>Daniel Heckathorne, CFO, reviewed the Unaudited April 2023 finance report as included in the committee packets.</p> <p>The month of April resulted in a positive \$1.52M EBIDA compared to budgeted EBIDA income of \$1.71M.</p> <p>A few adjustments and items of note include:</p> <ul style="list-style-type: none"> • The April Average Daily Census was 20.2 compared to March’s 17.8 (Budget = 35.0). • Emergency visits exceeded budget and Surgery cases were slightly below budget. • Total extra Salaries/Benefits expenses of \$1.9M were recorded in April. • Other Income included \$673K of State contributions toward 	M.S.C. (Rutledge/Rader), the SGMH Finance Committee voted to recommend approval of the Unaudited April 2023 Financial report to the Hospital Board of Directors.

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
	<p>the Retention Payments made toward the Retention Payments made to associates (employees) in December and April.</p> <p>It was noted that approval is recommended to the Hospital Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="386 491 1214 562"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes`</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes`	
DiBiasi	Yes	Petersen	Absent							
Rader	Yes	Rutledge	Yes`							
<p>Proposed Action - Recommend approval to Hospital Board and the Healthcare District Board</p> <ul style="list-style-type: none"> Annual Insurance Renewals 	<p>The Annual Insurance Renewals include:</p> <ul style="list-style-type: none"> o Professional and General Liability o Directors and Officers Liability o Employment Practices Liability o Auto Liability o Workers’ Compensation <p>It was noted that approval is recommended to the Hospital Board and the Healthcare District Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="386 1020 1214 1092"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes`</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes`	<p>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of the Annual Insurance Renewals to the Hospital Board of Directors and the Healthcare District Board of Directors.</p>
DiBiasi	Yes	Petersen	Absent							
Rader	Yes	Rutledge	Yes`							
<p>Future Agenda Items</p>	<p>None</p>									
<p>Next Meeting</p>	<p>The next regular Finance Committee meeting will be held on June 27, 2023 @ 9:00 am.</p>									
<p>Adjournment</p>	<p>The meeting was adjourned at 10:29 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

Date: 17 June 2023

Subject: Proposed Action to acquire Mindray Cardiac Monitors and related anesthesia equipment.

Overview

Patient monitors are used for continuous measurement of patient parameters such as heart rate and rhythm, respiratory rate, blood pressure, blood-oxygen saturation, and many other parameters to take care of critically ill patients. Patient monitoring is important because it gives us a warning of early or dangerous deterioration of a patient's health so that practitioners can make the necessary changes in their treatment accordingly. The real-time data helps doctors to prioritize their patients and provide emergent care to those who need it the most.

Key Issues

Our current ICU/DOU monitors have been end-of- life for the last several years. We can no longer find parts for them and are unable to obtain a service agreement with the company due to this. The telemetry boxes for the Med/Surg Unit have also been end-of-life for the last five years.

If these break or get misplaced, we do not have the option of ordering replacements. Over the years we have been able to buy refurbished units on the internet, however this is no longer an option either.

Also included in this proposal is the replacement of our two anesthesia machines and associated monitors that are also beyond the end-of-life and no longer supported by the manufacturer.

Recommendation

We are currently working with the District's Financial Advisor, Gary Hicks, to obtain appropriate financing for the equipment. The cost of the equipment is \$1,178,316.35.

We will have a funding recommendation to present at the Finance Committee Meeting based on Mr. Hicks' recommendation.

MINDRAY MONITORS AND ANESTHESIA UNITS FINANCIAL REPORTING ANALYSIS

VENDOR:	Mindray Lease through K2 Popular Equipment Finance LLC					
INVESTMENT COSTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Lease payment for Mindray Monitors and Anesthesia Machines	\$ 293,400	\$ 293,400	\$ 293,400	\$ 293,400	\$ 293,501	\$ 1,467,101
	\$ -	\$ -	\$ -	\$ -	\$ -	-
	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL PROGRAM COSTS (EXCLUDING TAXES)	\$ 293,400	\$ 293,400	\$ 293,400	\$ 293,400	\$ 293,501	\$ 1,467,101

TAB C

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

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

Agenda Items for June 27, 2023 Finance and Executive Committee Meetings

Subject:

Annual Insurance Renewals:

A) Property and Casualty Programs

- 1) All Risk Property Coverage including Business Interruption Coverage
- 2) Boiler and Machinery
- 3) Flood
- 4) Cyber and Excess Cyber
- 5) Crime
- 6) Fiduciary Liability (was renewed January, 2023)
- 7) Underground Storage Tanks (Pollution)
- 8) Deadly Weapon Response
- 9) Crime (Prorated until November 1 renewal for SGMH Foundation)

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).

Included is information regarding the Insurance markets, along with the specifics for San Gorgonio 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 impacted by two main components: 1) We requested an updated appraisal of the District’s properties in order to insure to current replacement values and this resulted in an increase in values of almost 10%; 2) The extremely difficult market caused an increase in rates of over 29%. As such, the overall package is increasing by 34%.

Recommendations: That Option 1 renewal package be approved at an overall cost of \$368,088.15 for the Hospital All Risk Property Program (HARPP) with overall cost of \$453,679 for all listed coverages.

Heckathorne, Daniel

From: Josie Charley <Josie.Charley@alliant.com>
Sent: Thursday, June 15, 2023 8:55 AM
To: Heckathorne, Daniel
Cc: Kammer, Margaret; Courtney Ramirez
Subject: 23-24 HARPP Proposal - San Gorgonio Memorial Hospital
Attachments: _2023-2024 HARPP Proposal - San Gorgonio.pdf, _Binding Requirements & Invoice.pdf

Categories: Red Category

Hi Dan,

Please find attached the HARPP renewal proposal for the 2023-2024 policy period. The below is a high level executive summary, we are looking forward to discussing with you Friday morning.

As we previously discussed, this year we were expecting a rate increase and this year the rate increase was just a little under 30%. The Total Insurable Value (TIV) increase also factored into the premium. Please keep in mind that the values were increased due to the appraisal conducted. As outlined on the Executive Summary on page 3 of the proposal, there was a TIV increase of ~10%.

Market Update:

On page 2 of the proposal, we have provided an in-depth update on the state of the property market. In summary, Insurance buyers face the hardest property insurance market in a generation, with historic inflation and skyrocketing natural disaster losses causing "significant pressure," according to a report from the American Property Casualty Insurance Association (APCIA).

Comments on the HARPP Proposal:

Please see the Executive Summary of the Proposal for the Year-over-Year Rate and Premium Comparison. We have separated out the Premiums for Property, Core Cyber and Pollution to identify where the portion of the increases emanate. The premium for the \$25,000 deductible option can be found on page 12 of the attached proposal. There would be a ≈\$2.3K decrease in property premium to increase your deductible from \$10,000 to \$25,000. In addition to increasing the deductible, the Option 2 includes the Upgrade to Green \$5,000,000 limit.

Comments on the Cyber Market:

The Cyber market in general has been an extremely unstable coverage line with many insurers exiting the market due to catastrophic ransomware attacks. Ransomware is one of the most pressing issues for cyber insurers today. We believe the Cyber coverage provided by HARPP represents one of the best values in the marketplace and the great results are shown at the renewal.

Core Cyber (Privacy Liability) Coverage for both 1st and 3rd parties is provided by Beazley Syndicates at Lloyd's. Core Cyber provides a \$2,000,000 Aggregate Limit, there is also a Program Policy Aggregate Limit up to \$45,000,000 for all Insureds/Members combined. The policy provides specific coverage for regulatory defense and penalties, notification and credit monitoring costs, for claims due to theft, loss or disclosure of personal information; please see attached for specific limits and sub-limits. The Cyber retention is \$50,000.

Comments on Pollution:

Pollution Coverage for both 1st and 3rd parties is placed with Ironshore Specialty Insurance Company, A.M. Best Rated A XV. There is \$2,000,000 Per Member / Aggregate for First Party Remediation Costs, First Party Emergency Response Cost, and Third Party Liability for a pollution condition on, at under or migrating from a covered location; an indoor

environmental condition at a covered location; or a pollution condition resulting from transportation. Includes contracted operations, non-owned disposal sites and storage tanks. The Pollution retention is \$50,000; with other various deductibles by coverage.

We have also provided a separate attachment that includes all of the documents that will require a signature for binding. To renew these coverages, please sign and return the attached documents at your soonest but no later than ~~Monday June 26th~~. **CHANGED TO TUESDAY, JUNE 27.**

- Request to Bind Coverage Form
- APIP Claims Acknowledgement Form
- CA D1 (Surplus Lines Disclosure)
- Notice of Terrorism


Please be sure to review the entire proposal and let us know if you have any questions.

Best Regards,

Josie Charley, CLIC, WCIP, CCIP

Account Manager
CA License No. 0J16289
Public Entity

T: 949.242.6280
Alliant.com

 Alliant Insurance Services, Inc.
CA License No. 0C36861

The More Rewarding Way to Manage Risk

Important note about mail service, remitting payment and reporting claims:

A number of our offices around the region are experiencing disruption with mail and deliveries. To make sure we receive your payment timely **please mail all checks to the lockbox address on your invoice and follow claim reporting procedures** provided by your claim advocate. Please contact us at any time if you have concerns or questions.

This email and its attachments are for the exclusive use of the intended recipients, and may contain proprietary information and trade secrets of Alliant Insurance Services, Inc. and its subsidiaries. This email may also contain information that is confidential, or otherwise protected from disclosure by contract or law. Any unauthorized use, disclosure, or distribution of this email and its attachments is prohibited. If you are not the intended recipient, let us know by reply email and then destroy all electronic and physical copies of this message and attachments. Nothing in this email or its attachments is intended to be legal, financial, or tax advice, and recipients are advised to consult with their appropriate advisors regarding any legal, financial, or tax implications.



San Geronio Memorial Healthcare District



2023-2024

Alliant Property Insurance Program

HOSPITAL ALL RISK PROPERTY PROGRAM

Presented on June 16, 2023 by:

Courtney L. Ramirez
Senior Vice President

Josie Charley
Account Manager

Alliant Insurance Services, Inc. • 18100 Von Karman Avenue 10th Floor Irvine, CA 92612 •

PHONE (949) 756-0271 FAX (949) 756-2713 • www.alliant.com • License No.0C36861

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)



July 1, 2023 – July 1, 2024

EXECUTIVE SUMMARY

Attached please find the annual renewal summary of the Hospital All Risk Property Program (HARPP) for the 7/1/2023 renewal. An overview of the most significant issues is discussed here.

The property market is proving very challenging as we approach the 7/1/2023 HARPP renewal. Weather related events are problematic to the insurance industry and the frequency and severity of these events has increased over the last few years. Recent weather events adversely impacting both the capacity and the pricing of direct carriers and reinsurers include:

- 2022 Hurricane Ian (estimated \$53B in insured losses – the second most costly hurricane in history);
- 2022 Winter Storm Elliott (impacted 42 states and insured damage estimates of \$5.4B);
- 2021 Winter Storm Uri (estimated \$15B in insured losses primarily in Texas and Oklahoma);
- 2021 Hurricane Ida (estimated \$40B in insured losses from Gulf Coast to Northeastern States – fourth most costly hurricane in history)
- U.S. Wildfires (Over \$10B in insured losses in 4 of last 5 years)

In addition, underwriters are concerned about valuation and ensuring that an insured's reported values properly and accurately reflect their exposure. HARPP closely monitors insured values for accuracy including application of a 7.5% trend factor for real and personal property. Due to the conditions described above, we expect insureds in the HARPP program to have rate increases at renewal. Generally, insureds that are loss free and/or non-Catastrophe (CAT) exposed will have lower than average rate increases while insureds that are loss challenged and/or CAT exposed will have higher than average rate increases.

For the 2023/24 renewal, Berkshire Hathaway Specialty Insurance (BHSI) will lead the first \$25,000,000 of the program. Maximum program limits are \$800,000,000 to \$1,000,000,000 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 of the HARPP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. Additional excess options are available, if requested for insureds with good security controls in place. The Cyber market has become extremely volatile in the past 2 years primarily due to a pronounced increase in ransomware claims and worldwide unrest. Due to the difficulty of even maintaining Cyber coverage for many public entities, we believe the Cyber coverage provided by HARPP represents one of the best values in the marketplace. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1st and 3rd parties from Ironshore Specialty Insurance Company, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – please note on the attached proposal whether the vehicle/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 various types of loss control services, but also in providing appraisal services, business interruption values consultation, and infrared testing. Please see inserts for further details on ABS services provided. For the program, property valuations continue to be 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.

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 is as complete as possible, the program is being negotiated up to the 7/1/23 effective date. We will endeavor to provide any known material changes prior to renewal.

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)
July 1, 2023 – 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>2022-2023 (at 03/08/2023)</u>	<u>2023-2024</u>	<u>Variance</u>
Total Insurable Values (TIV):	\$ 198,762,071	\$ 218,401,962	9.88%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 247,509.26	\$ 356,653.74	44.09%
Cyber Liability Annual Cost:	\$ 9,304.89	\$ 9,112.86	-2.06%
Pollution Liability Annual Cost:	\$ 2,038.16	\$ 2,321.55	13.90%
Total Account Rate (\$/100):	0.1302322	0.1685370	29.41%
**Total Annual Cost:	\$ 258,852.31	\$ 368,088.15	42.20%

*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

The following pages are coverage items currently under review with the HARPP markets to be effective on July 1, 2023.

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.

HARPP SUMMARY OF PROPOSED CHANGES

BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2023-2024 POLICY PERIOD AS OF MAY 04, 2023

Coverage	2022-2023 Sub-limit / Deductible	2023-2024 Sub-limit / Deductible
Scheduled Landfill sub-limit	Not specified	\$5,000,000 Scheduled Landfills (as more fully defined in the policy); or 120% of values on on file with Alliant Insurance Services, Inc. whichever is less.
Personal Property Outside of USA	\$1,000,000 Personal Property Outside of the USA	\$1,000,000 Personal Property Outside of the USA <u>(including associated business interruption)</u>
Cyber Liability	Please refer to Proposal for Summary of Changes <i>if</i> coverage is purchased.	
Pollution Liability	Please refer to Proposal for Summary of Changes <i>if</i> coverage is purchased.	

Coverage	2022-2023 Master Policy Form	2023-2024 Master Policy Form
Policy Period	July 1, 2022 to July 1, 2023	July 1, 2023 to July 1, 2024
USA Form No.	18	19
Section I, E. 2 Sub-Limits of Liability		Scheduled Landfills; or 120% of values on file with Alliant Insurance Services, Inc. whichever is less.
Section I, E. 2 Sub-Limits of Liability	Personal Property outside the U.S.A.	Personal Property outside the U.S.A. <u>(including associated business interruption)</u>
Section II, B. 4. Off Premises Services Interruption	Last sentence: to an Insured Location. The coverage provided by this clause is sub-limited to USD as per Declaration Page.	Last sentence: to an Insured Location. The coverage provided by this clause is sub-limited to USD as per Declaration Page. <u>Coverage under this extension is subject to a 24-hour waiting period.</u>
Section II, B. 8. Debris Removal	This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the Insured Location that may be destroyed or damaged by a covered peril(s).	This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the Insured Location that may be destroyed or damaged by a covered peril(s).
Section II, B. 11. Increased Cost of Construction	See Policy	See Policy for details. Wording has been modified to provide clarity on intent.
Section II, B. 15. Transit	See Policy	See Policy for details. Wording has been modified to exclude Ocean Marine coverages.
Section II, D. 6	Library contents	Library contents value increased per 18.6% inflation value
Section II, D. 7	See Policy	See Policy for details. Wording has been modified for valuation on vehicles greater than 10 years of age to actual cash value.
Section IV, AF. Service of Suit Clause (USA) Applicable to Excess Carriers	See Policy	See Policy for details
Endorsement 1	1. Company means Lexington Insurance Company	1. Company means <u>any Insurance Company offering coverage under this policy.</u>

San Gorgonio Memorial Healthcare District 2023/24 Executive Summary

as of: 6/16/2023

	Premium 7/1/22 - 7/1/23	Premium 7/1/23 - 7/1/24	Δ	Notes
Hospital All Risk Property Program (HARPP): Property, B&M, Cyber & Pollution				
Policy Limits: \$250,000,000 All Risk				
Deductible: \$10,000 All Risk				
Exposure	198,762,071	218,401,962	9.88%	TIV
Rate per \$100 of TIV	0.13023	0.16854	29.41%	
Premium:	\$ 258,852	\$ 368,088	42.20%	Bindabl e/Final
APIP Cyber Excess				
Policy Limits: \$2,000,000 Each Member Aggregate / \$2,000,000 Policy Aggregate				
Premium	\$ 62,455	\$ 67,881	8.69%	Bound
All iantDeadl y WeaponResponse Program (ADWRP)				
Policy Limits: \$500,000 Each And Every Deadly Weapon Event/ Aggregate				
Deductible: \$10,000 Each And Every Deadly Weapon Event				
Exposure	198,762,071	218,401,962	9.88%	TIV
Premium	\$ 6,399	\$ 6,865	7.28%	Bound
Crime (ACIP)				
Policy Limits: \$5,000,000				
Deductible: \$25,000				
Exposure	629	609	-3.18%	EE Count
Premium	\$ 10,304	\$ 10,304	0.00%	Bound
Non Profit Crime (San Gorgonio Memorial Hospital Foundation)				
Policy Limits: \$500,000				
Deductible: \$5,000				
Exposure	-	11		EE Count
Premium	-	\$ 541		Bindabl e/Final
		*Annual Premium to be pro-rated based on effective date		
Total	\$ 338,011	\$ 453,679	34.22%	

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

PROPERTY PROPOSAL

TYPE OF INSURANCE: Insurance Reinsurance

PROGRAM: Hospital All Risk Property Program (HARPP)

NAMED INSURED: San Gorgonio Memorial Healthcare District

DECLARATION: 8-Hospitals 3

POLICY PERIOD: July 1, 2023 to July 1, 2024

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 218,401,962 as of June 13, 2023

**ALL RISK
COVERAGES &
SUB-LIMITS:**

\$	250,000,000	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
\$	10,000,000	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
	Not Covered	Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
	Not Applicable	Per Occurrence for losses to locations in Tier 1 and/or Tier 2 Counties and resulting from a Named Windstorm.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	100,000,000	Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, Per Declaration for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense.

**ALL RISK COVERAGES
& SUB-LIMITS:
(continued)**

Per Bound TIV	\$10,000,000	Miscellaneous Unnamed Locations for Named Insureds with total insurable values greater than or equal to \$250,000,000 at time of binding or \$5,000,000 Miscellaneous Unnamed Locations for Named Insureds with total insurable values less than \$250,000,000 at time of binding excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. Vacant properties are sub-limited to \$2,500,000.
365 Days	Extended Period of Indemnity	
See Policy Provisions	\$50,000,000, or a Named Insured's Policy Limit of Liability if less than \$50,000,000, Automatic Acquisition for 120 days except:	<ul style="list-style-type: none"> - \$25,000,000 Automatic Acquisition for 90 days for new sub-member and/or entity of an existing Pools, JPA or Group; - \$25,000,000 Automatic Acquisition for 90 days for Vacant properties; - \$10,000,000 Automatic Acquisition for 120 days for Licensed Vehicles; - \$2,500,000 Automatic Acquisition for 60 days for additional property and/or interests in Tier 1 Wind Counties, Parishes and Independent Cities for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii; - The peril of Earthquake is excluded for the states of Alaska and California; - If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	5,000,000	or 120% of the scheduled values, whichever is less, for Scheduled Landfills (as more fully defined in the policy).
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued greater than \$15,000,000 require underwriting approval and a premium charge.

ALL RISK COVERAGES & SUB-LIMITS: (continued)	\$	500,000	Money & Securities for named perils only as referenced within the policy, however fraudulent impersonation, fraudulent instruction or similar events are excluded.
	\$	2,500,000	Unscheduled Fine Arts.
	\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration. Coverage shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.
	\$	750,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
	\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery) except \$2,500,000 for vacant properties.
	\$	25,000,000	Transit - Physical Damage only.
	\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
	\$	2,500,000	Unscheduled Watercraft up to 27 feet.
		Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage.
	\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..

ALL RISK COVERAGES & SUB-LIMITS: (continued)	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
	\$	3,000,000	Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.
	\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$	1,000,000	Claims Preparation Expenses.
	\$	50,000,000	Expediting Expenses.
	\$	1,000,000	Personal Property Outside of the USA (including associated Business Interruption).

**ALL RISK COVERAGES
& SUB-LIMITS:
(continued)**

	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	Not Covered	for Communicable Disease.
\$	100,000	Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.
\$	100,000	Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.
\$	100,000,000	Ingress/Egress Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property by this Policy is prevented.
\$	100,000,000	Interruption By Civil Authority Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority.
\$	10,000,000	Electronic Data Processing Media.

VALUATION:

- Repair or Replacement Cost (RCV)
- Actual Loss Sustained for Time Element Coverages
- Contractor’s Equipment /Vehicles either Replacement Cost (RCV) or Actual Cash Value (ACV) as declared by each insured. If not declared, valuation will default to Actual Cash Value (ACV)

**EXCLUSIONS
(Including but not limited to):**

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).

**“ALL RISK”
DEDUCTIBLE:**

\$	10,000	Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.
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**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:**

	Not Covered	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).
\$	100,000	All Flood Zones Per Occurrence excluding Flood Zones A & V.

**DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:
(continued)**

	Not Applicable	for losses to locations in Tier 1 and/or 2 Counties and resulting from a Named Windstorm.
	Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.
\$	1,000	Per Occurrence for Specially Trained Animals.
\$	500,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
	24 Hour	Waiting Period for Ingress/Egress
	24 Hour	Waiting Period for Civil Authority

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES: (continued)

Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
Not Covered	Per Occurrence for Contractor's Equipment.

SPECIAL TERMS AND CONDITIONS:

It is understood and agreed that notwithstanding anything contained herein to the contrary the following shall apply to this Policy:

The following stand-alone coverages are provided by the APIP program but are not covered in the Limit of Liability or the Sub-Limits of Liability above or attached to the Master Policy Form Wording. However, the coverage costs are included in the APIP Total Cost noted below. Carriers providing these coverages are included in the Schedule of Carriers.

\$ 100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30 and 32-35 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
\$ 10,000	Per Occurrence Deductible for Primary Terrorism.
\$ 600,000,000	Per Named Insured for Terrorism (Excess Layer) subject to;
\$ 1,100,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35 for Terrorism (Excess Layer) subject to;
\$ 1,400,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
\$ 500,000	Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Summary for applicable Limits. (Cyber Liability) If, insured purchases such coverage.
TBD	Per Named Insured, Per occurrence subject to an Annual Aggregate of Declarations 1-14, 18-30 and 32-35 as respects Personal and Real property for Cyber Attack Resultant Damage
Included	- Healthcare Pollution Policy Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles. If, insured purchases such coverage. If, insured purchases such coverage.

TERMS & CONDITIONS:

Sub-limits, terms and conditions are subject to change.

25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is calculated on a pro-rata basis, unless there is a claim in which case the premium is deemed fully earned. If, insured purchases such coverage.

Except Pollution Liability Premium is 100% Earned at Inception, unless there is a claim in which premium is deemed fully earned. If, insured purchases such coverage.

NOTICE OF CANCELLATION:

90 Days except 10 Days for non-payment of premium

OPTION 1 (Expiring)	\$ 10,000 All Risk Deductible / \$ 10,000 B&M Deductible Not Covered - Upgrade to Green Limit
	Annual Cost*
Total Property Premium:	\$ 332,105.00
Excess Boiler:	\$ 3,070.00
Cyber Liability Premium:	\$ 8,832.00
Pollution Liability Premium:	\$ 2,250.00
ABS Fee:	\$ 2,891.00
SLT&F's (Estimate)	\$ 11,010.97
Broker Fee:	\$ 7,929.18
TOTAL COST †: (Including Taxes and Fees)	\$368,088.15

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

OPTION 2	\$ 10,000 All Risk Deductible / \$ 10,000 B&M Deductible INCLUDING - \$5,000,000 Upgrade to Green Limit
	Annual Cost*
TOTAL COST †: (Including Taxes and Fees)	\$376,390.97

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

† 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)

OPTION 3	\$ 25,000 All Risk Basic, B&M & Primary Terrorism Deductibles Not Covered - Upgrade to Green Limit
	Annual Cost*
TOTAL COST †: (Including Taxes and Fees)	\$357,618.25

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

† 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)

OPTION 4	\$ 25,000 All Risk Basic, B&M & Primary Terrorism Deductibles INCLUDING \$ 5,000,000 Upgrade to Green Limit
	Annual Cost*
TOTAL COST †: (Including Taxes and Fees)	\$365,555.65

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

† 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)

PRINT DATE: June 16, 2023
QUOTE VALID UNTIL: July 1, 2023
BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861
Courtney L. Ramirez
Senior Vice President

Josie Charley
Account Manager

NOTES:

- **Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2023 bound terms. Changes include but are not limited to a \$5M limit for landfills (as defined in the policy), restriction of valuation on vehicles greater than 10 years of age to actual cash value and expanding coverage on personal property outside of the United States to include associated Business Interruption. Coverage outlined in this Proposal is subject to the terms and conditions being negotiated with the policy. To be finalized and presented at Program Inception. Note: In addition to program specific changes noted, there are general restrictions within the market that we will address during the renewal process. Potential market restrictions include but are not limited to Strike, Riot and Civil Commotion and valuation restrictions (i.e. margin clauses and/or occurrence limit of liability endorsements).**
- **For most members the All Risk limit is \$800,000,000 in the proposal. The All Risk limit is estimated to bind between \$500,000,000 and \$1,000,000,000. If your All Risk limits are less than \$500,000,000 they are not expected to change.**
- **The program expects to continue purchasing Cyber Resultant Physical Damage cover which is provided to members purchasing Terrorism within the program – limits to be determined. See expiring Policy No. B0180PF2209084 and B0180PF2209624 for current coverage details.**
- **This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event**
- **Change in Total Insurable Values will result in adjustment in premium**
- **Each line of coverage is rated separately. Increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc. may increase the insured's average account rate.**
- **The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.**

TAB D



SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA

Unaudited Financial Statements

for

ELEVEN MONTHS ENDING MAY 31, 2023

FY 2023

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements, except for the uncertainty of IGT revenue accruals, 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

CFO

San Gorgonio Memorial Hospital

Financial Report - Executive Summary

For the Month of May, 2023 and Eleven Months Ended May 31, 2023 (Unaudited)

Profit/Loss (EBIDA) Summary (MTD) Negative and (YTD) Negative (comparisons to Budget)

The month of May resulted in negative \$955K Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted EBIDA loss of \$1.60M.

YTD – The YTD May results were a negative \$422K Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted EBIDA gain of \$160K.

Month – Adjustments and Items of Note:

- The May Average Daily Census was 17.3 compared to April's 20.2 (Budget = 31.4)
- Emergency visits exceeded budget and Surgery cases were over budget.
- Net gains from Supplemental fundings totaled \$210K.
- Other Income included a \$75K dividend from BETA and a \$278K IEHP final covid grant

Month – May's inpatient average daily census was 17.3. Adjusted Patient Days were 15% under budget (1,656 vs. 1,939) which includes the Patient Days which were 45% below budget (537 vs. 974). Emergency Visits were 14.8% over budget (3,543 vs. 3,086), and Surgeries were over budget by 8.7% (125 vs. 115).

YTD - Inpatient average daily census was 21.3. Adjusted Patient Days were 11.6% under budget (19,696 vs. 22,293) and Patient Days were 36% below budget (7,128 vs. 11,199). Emergency Visits were 7% over budget (38,502 vs. 35,894), and overall Surgeries were 3.1% under budget (1,300 vs. 1,342).

Patient Revenues (MTD) Negative (YTD) Negative

Month - Net Patient Revenues in May were \$212K (3.8%) below budget. This continues to be impacted by the Deductions from Revenues consisting of the higher-than-expected mix of Outpatient Revenues (compared to Inpatient Revenues), which generally pay about 10% of charges compared to Inpatient Revenues which generally pay about 17% of charges. This also directly relates to the much lower-than-expected count of Inpatient Days. The Residency Program recovery was \$41K and is included in the Deductions from Revenues.

YTD – Net Patient Revenues were \$8.81M (14%) below budget. This is markedly impacted by the Deductions from Revenues consisting of the higher-than-expected mix of Outpatient Revenues (compared to Inpatient Revenues), which generally pay about 10% of charges compared to Inpatient Revenues which generally pay about 17% of charges. This also directly relates to the lower-than-expected Inpatient Days. The Deductions are favorably offset by \$492K Residency Program recovery.

Total Operating Revenues (MTD) Negative & (YTD) Negative

Month – Operating Revenue in May was \$117K under budget. This is mostly impacted by the Net Patient Revenues being \$212K under budget and the Non-Patient Revenues being \$95K over budget.

YTD - Operating Revenue was \$6.79M below budget. This was impacted by the \$8.81M negative variance in Net Patient Revenues for the eleven months and a \$2.02M positive variance in Other Income.

Operating Expenses (MTD) Positive & (YTD) Positive

Month - Operating Expenses in May were \$7.07M and were under budget by \$602K. Key items that impacted overall Expenses were as follows: 1) Salaries and Wages, Benefits, and Contract Labor were

collectively \$116K under budget; 2) Purchased Services were \$249K below budget which included a) favorable variances in Altera (Allscripts) fees (\$27K), along with favorable variances in I/T , Radiology, and Plant Services; 3) Supplies were under budget by \$283K, which can be attributed to a) lower than expected Inpatient Admissions, and b) no covid surges; Repairs and Other Operating Expense were collectively \$41K over budget due primarily to Plant Operations repairs, Anesthesia Repairs, and Hospital Week employee activities.

Year-to Date – Operating Expenses were \$79.7M and were under budget by \$6.2M. Key items that impacted overall Expenses were as follows: 1) Salaries, Benefits, and Contract Labor, which included \$746K of Employee Retention payments, were a combined \$955K under budget. This favorable impact was affected by the PTO Flex-Down variance during the summer months along with the much lower than expected Patient Days workloads. (Note: Employee Retention costs were offset by \$673K reimbursement by the State, and these offsets are included in Other Income); 2) Physician fees were \$447K under budget and key variances relate to the Residency Program (\$332K) and Anesthesia (\$106K); 3) Purchased Services showed a favorable variance of \$2.45M due to Allscripts/Navigant (\$953K), I/T (\$560K, partially due to transfer of Leases), Dialysis (\$159K), Plant Operations (\$120K), Human Resources (\$141K), Legal fees (\$311K), and Administration/Accounting (\$142K) along with various other Service Agreements being lower than expected; 4) Supplies were under budget by \$2.98M, which included Drugs (\$1.86M), General Medical Supplies (\$837K), Non-Medical Supplies (\$255K) Prostheses (\$125K), Oxygen (\$87K), all of which can be attributable to a) much lower than expected Inpatient Admissions, b) no covid surges thus far, and c) not experiencing the full impact of inflation; 5) Other Operating Expenses were over budget by \$442K, which was largely driven by the Prime Grant Expense closing costs (\$254K) and Election Fees being much higher than anticipated.

Balance Sheet/Cash Flow

Patient cash collections in May totaled \$4.44M compared to April's \$4.9M. There was approximately \$600K of cash collections that got held up in the bank in May due to problems with account routing numbers. This has since been corrected, and the cash flowed to the Hospital in June; nevertheless the cash collections would have exceeded \$5M in May and the Gross A/R Days would have decreased by about 2 days due to this issue. This also impacted Cash balances, which were \$8.32M compared to \$8.78M in April. The LOC borrowing remains at zero as of this writing, which well exceeds the 30 days requirement. Again Cash and A/P was impacted by receipt of various Supplemental funds in April and May. Accounts Payable decreased slightly to \$7.19M compared to \$7.68M in April. A liability is in place reflecting \$1.70M payable to Medicare for current year's estimated overpayments for outliers and sequestration funds. Finally, several Liability accounts were impacted by re-classifications of Leases and Debt Liabilities.

Summary

Positive takeaways:

- 1) Supplemental Funding and Other Income continue to enhance Operating Revenues

Negative takeaways:

- 1) YTD EBIDA, adjusted for Cash Payments required for Leases is a negative \$1.16M.
- 2) Inpatient Days significantly lagged behind a normal May's activity.

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.

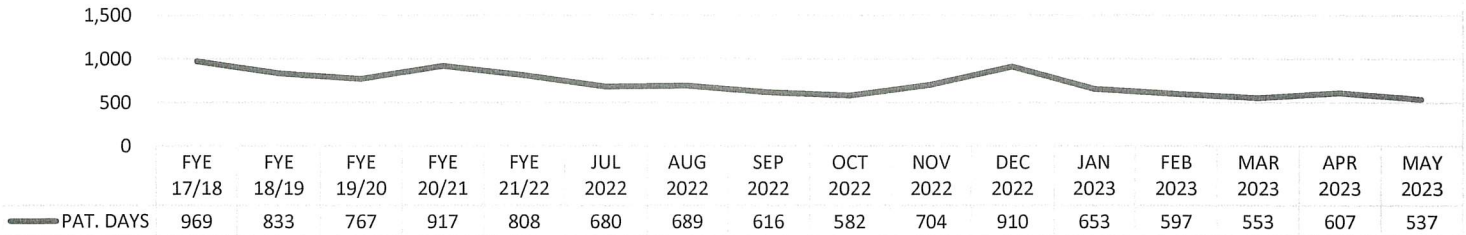
3-A

SAN GORGONIO MEMORIAL HOSPITAL

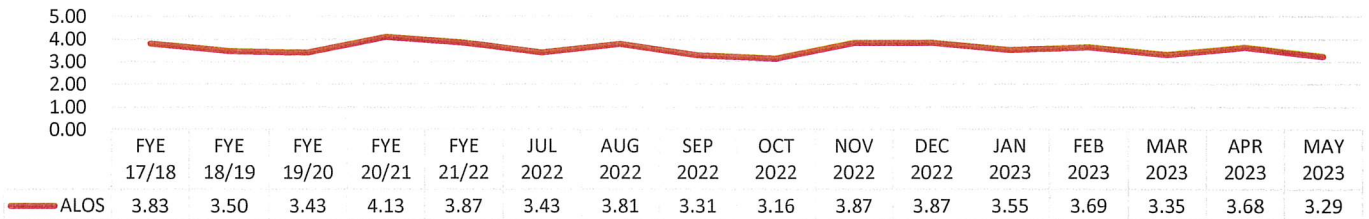
INPATIENT DISCHARGES



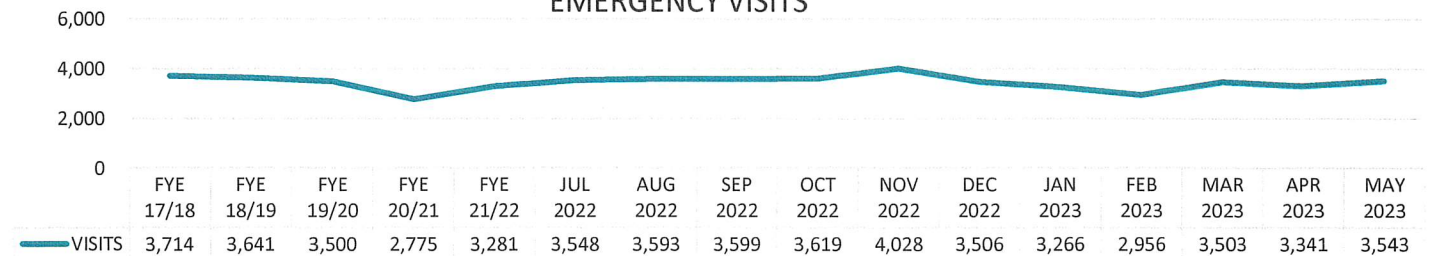
INPATIENT DAYS



AVERAGE LENGTH OF STAY

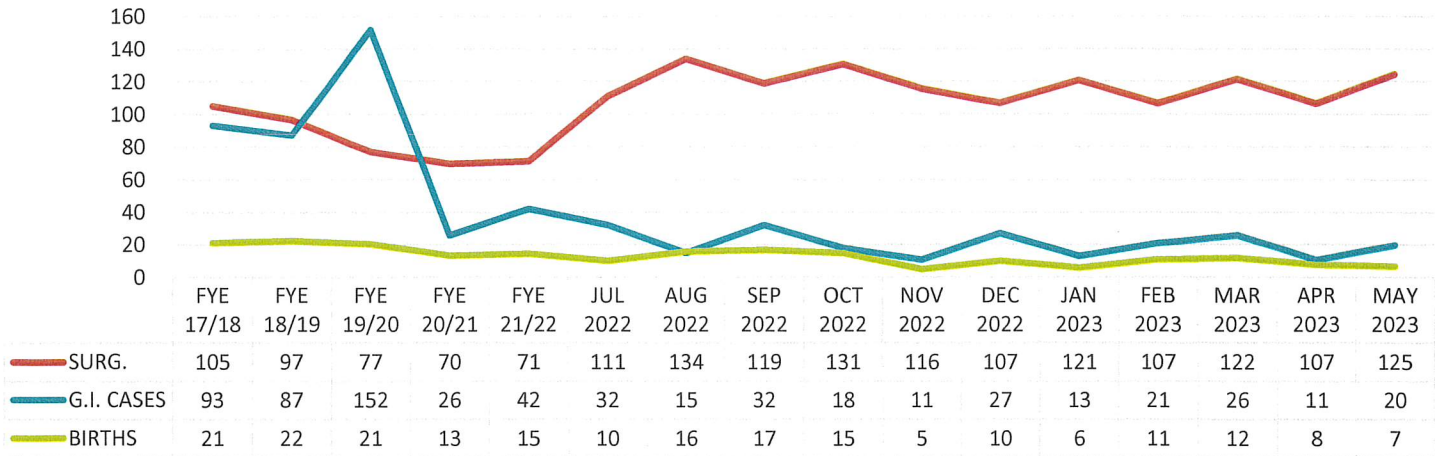


EMERGENCY VISITS

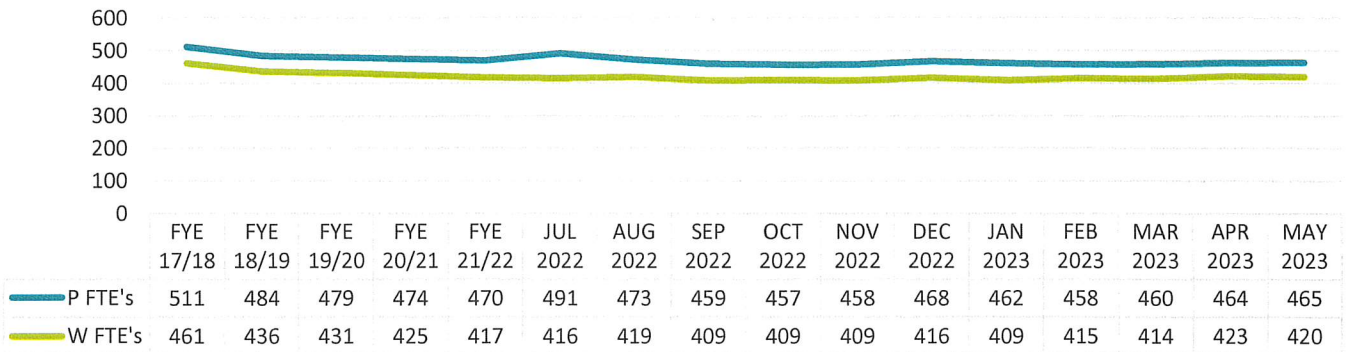


SAN GORGONIO MEMORIAL HOSPITAL

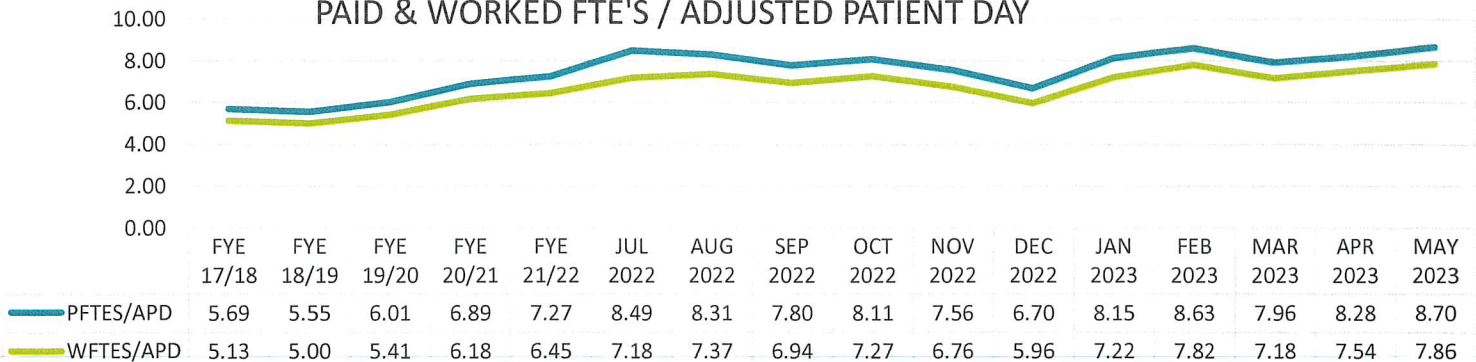
SURGERY CASES, G.I. CASES, N/B DELIVERIES



PAID & WORKED FTE'S



PAID & WORKED FTE'S / ADJUSTED PATIENT DAY



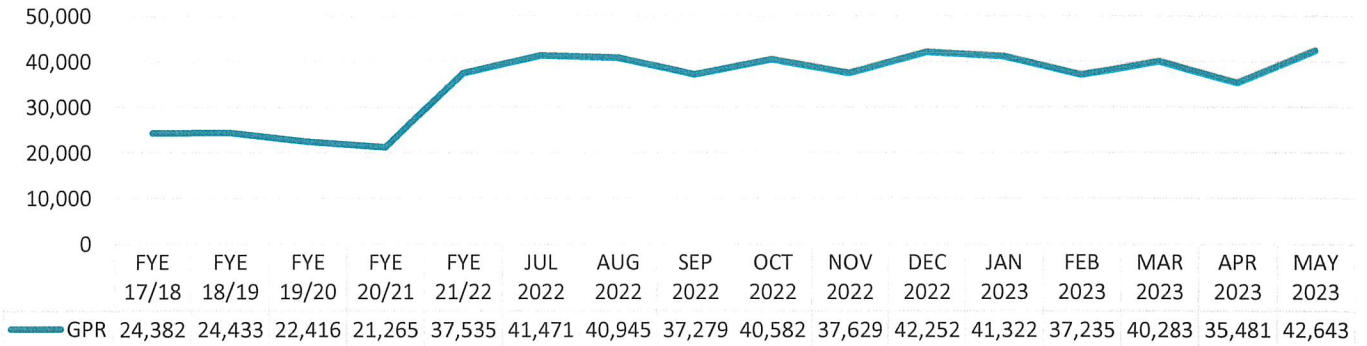
INCOME STATEMENT

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 gauge 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.

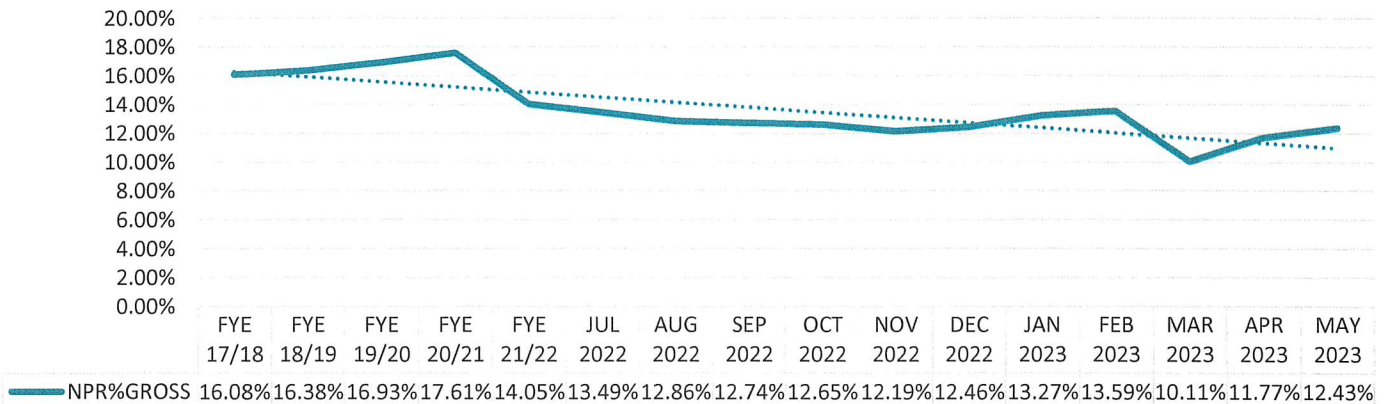
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SAN GORGONIO MEMORIAL HOSPITAL

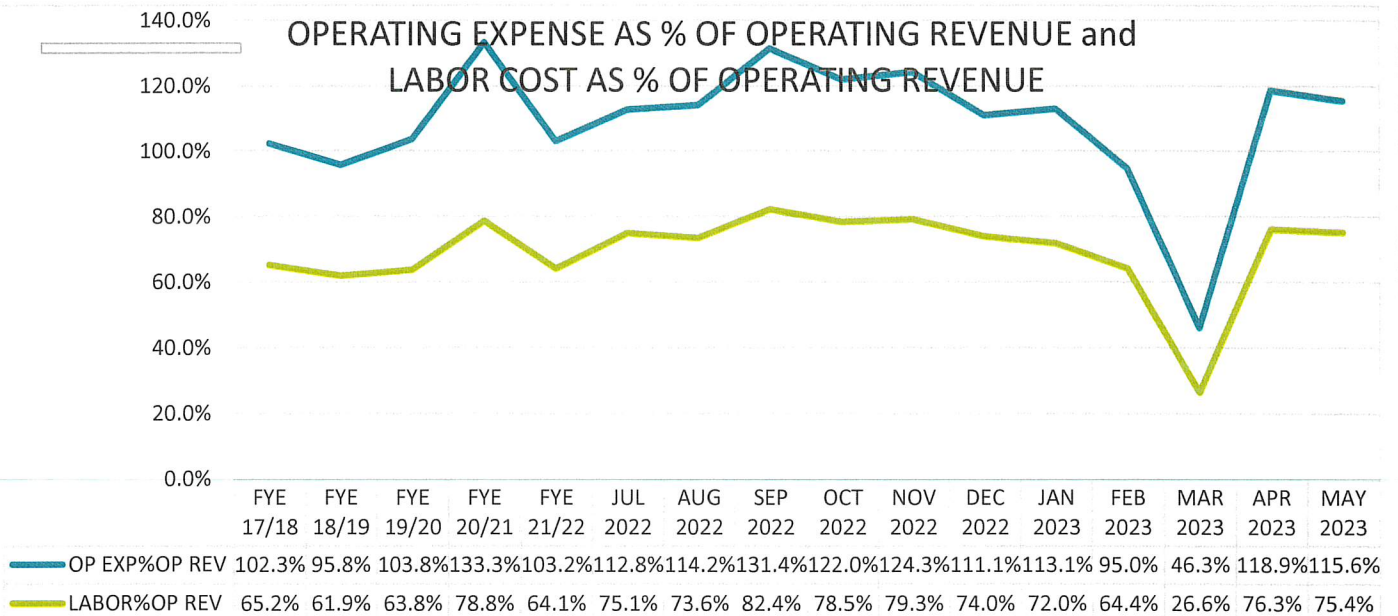
GROSS PATIENT REVENUE (000's)



NET PATIENT REVENUE AS % OF GROSS

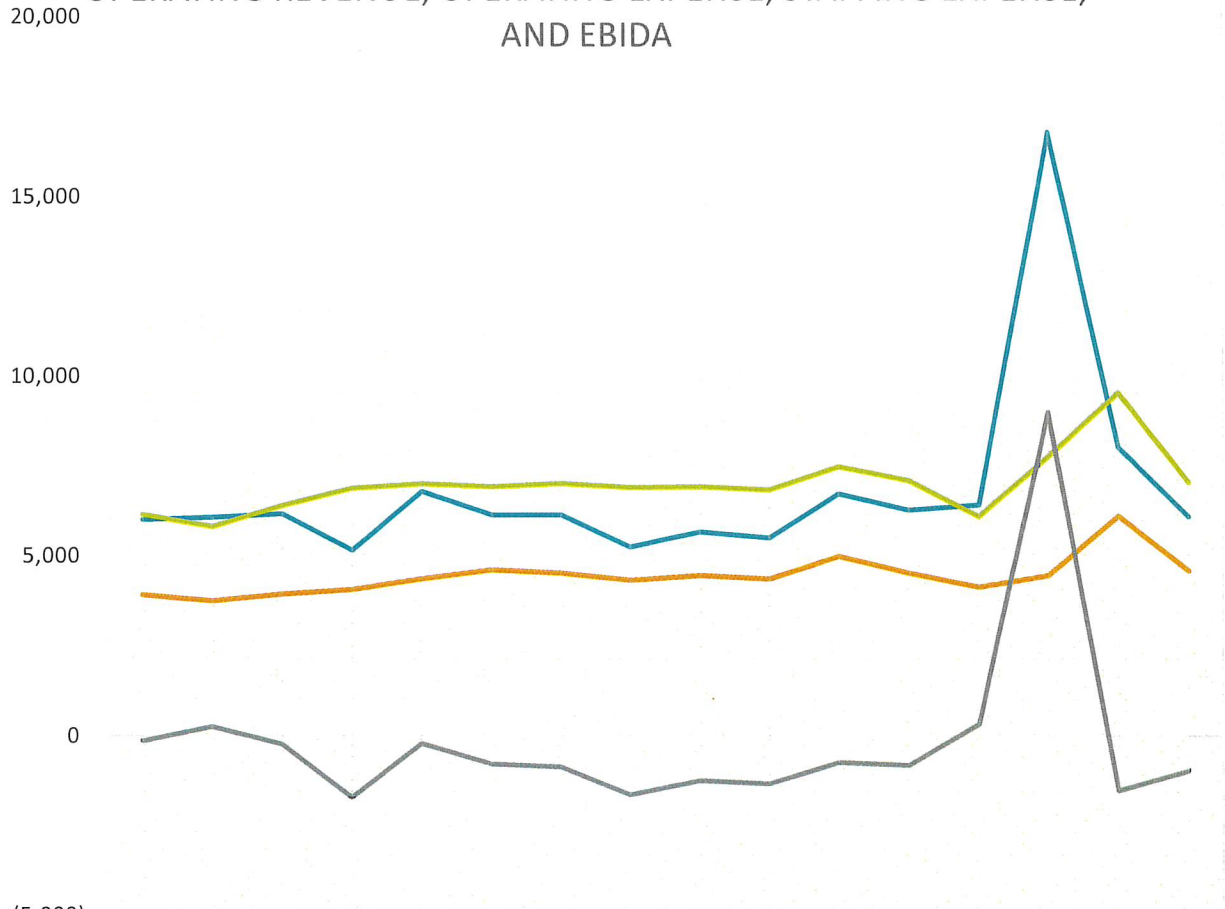


OPERATING EXPENSE AS % OF OPERATING REVENUE and LABOR COST AS % OF OPERATING REVENUE



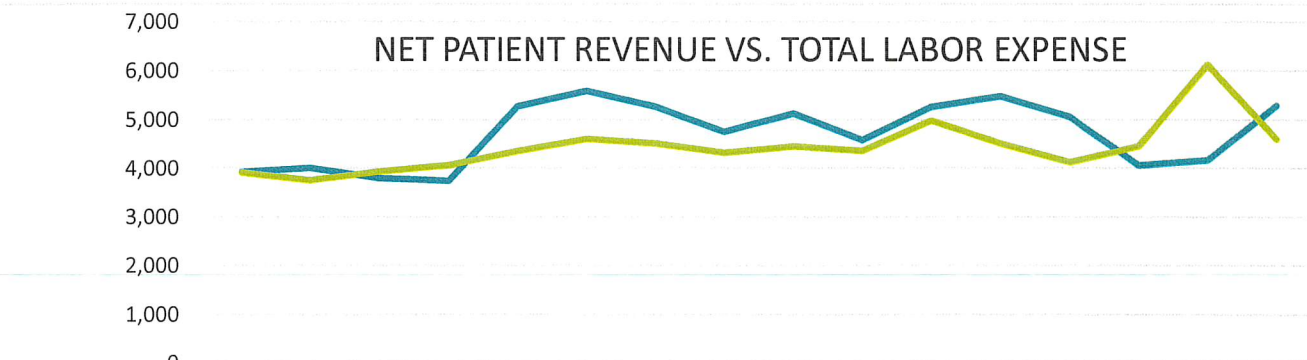
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OPERATING REVENUE, OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023
OP REV	6,006	6,069	6,165	5,160	6,791	6,132	6,137	5,246	5,674	5,499	6,728	6,269	6,413	16,788	8,041	6,112
OP EXP	6,147	5,817	6,398	6,878	7,007	6,920	7,010	6,893	6,923	6,834	7,475	7,091	6,094	7,771	9,557	7,067
STAFF EXP	3,915	3,755	3,932	4,065	4,354	4,604	4,515	4,322	4,452	4,359	4,980	4,513	4,129	4,462	6,136	4,608
EBIDA	(141)	252	(233)	(1,719)	(216)	(788)	(873)	(1,648)	(1,249)	(1,335)	(747)	(822)	319	9,017	(1,516)	(956)

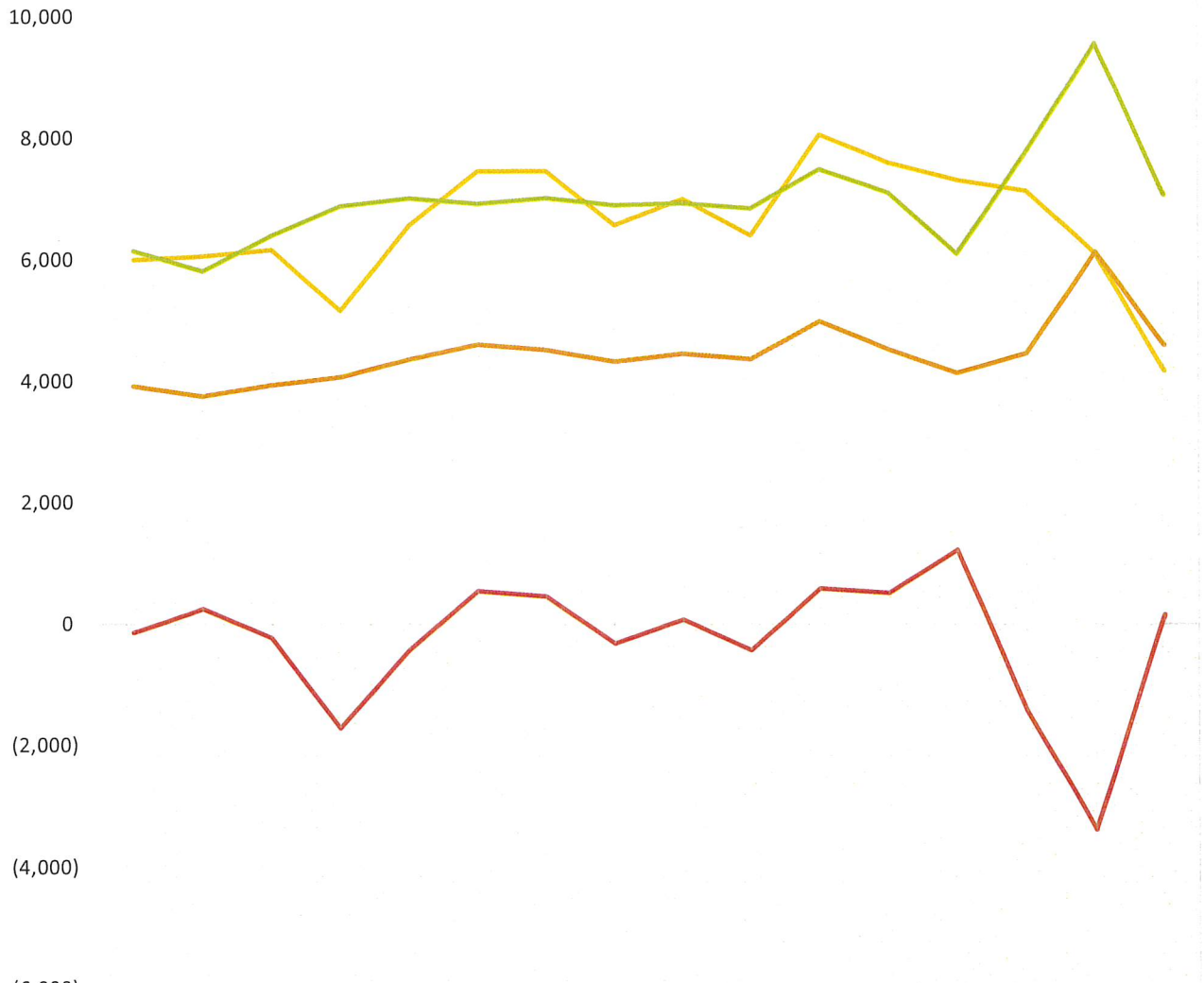
NET PATIENT REVENUE VS. TOTAL LABOR EXPENSE



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023
NET PAT REV	3,921	4,003	3,795	3,744	5,275	5,594	5,267	4,751	5,134	4,585	5,266	5,485	5,060	4,071	4,176	5,300
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,604	4,515	4,322	4,452	4,359	4,980	4,513	4,129	4,462	6,136	4,608

SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE (NORMALIZED), OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA (NORMALIZED) (000's)



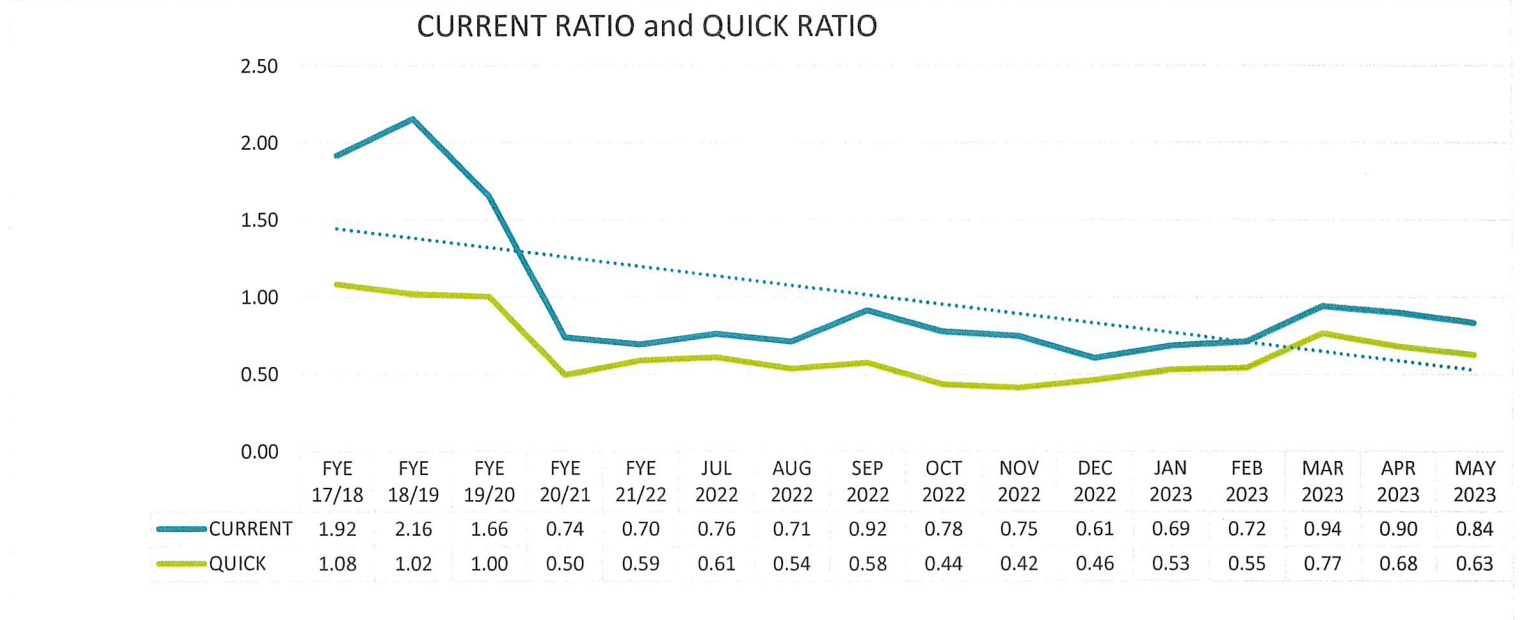
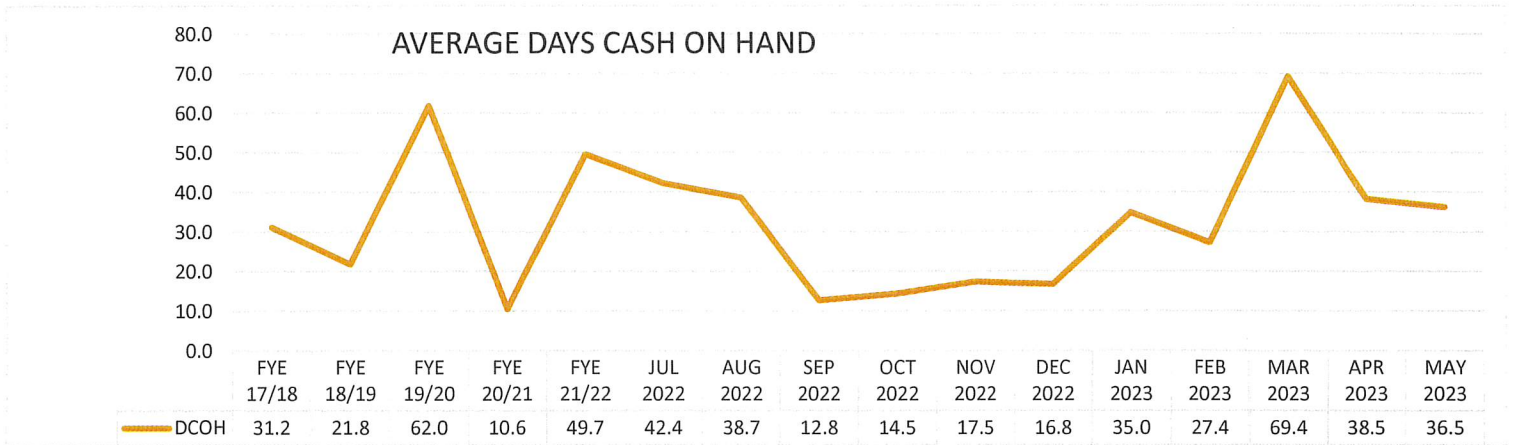
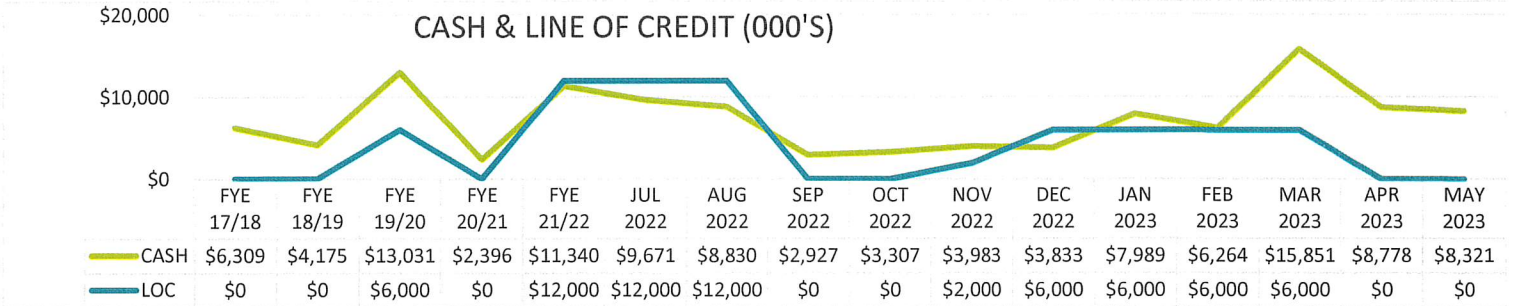
	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023
REV NORMAL	6,006	6,069	6,165	5,160	6,569	7,453	7,458	6,567	6,995	6,399	8,049	7,591	7,307	7,133	6,106	4,177
OP EXP	6,147	5,817	6,398	6,878	7,007	6,920	7,010	6,893	6,923	6,834	7,475	7,091	6,094	7,771	9,557	7,067
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,604	4,515	4,322	4,452	4,359	4,980	4,513	4,129	4,462	6,136	4,608
EBIDA NORMAL	(141)	252	(233)	(1,719)	(438)	533	448	(326)	72	(435)	574	499	1,214	(1,437)	(3,373)	156

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.

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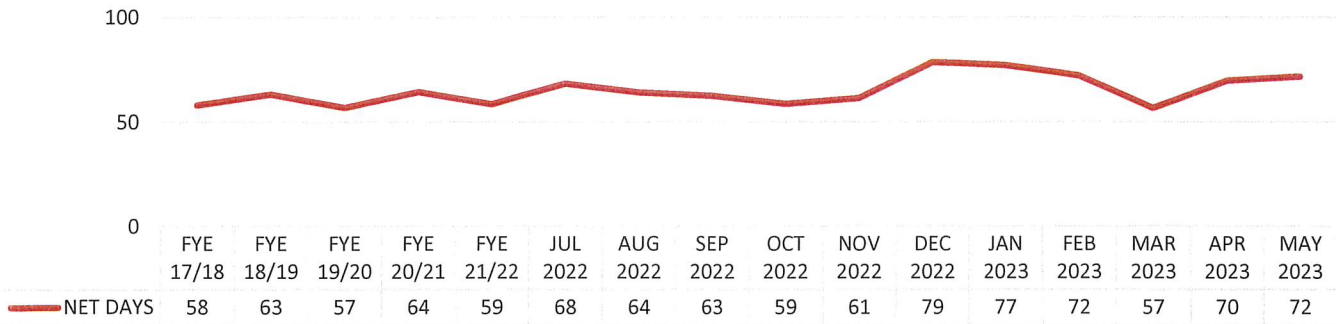
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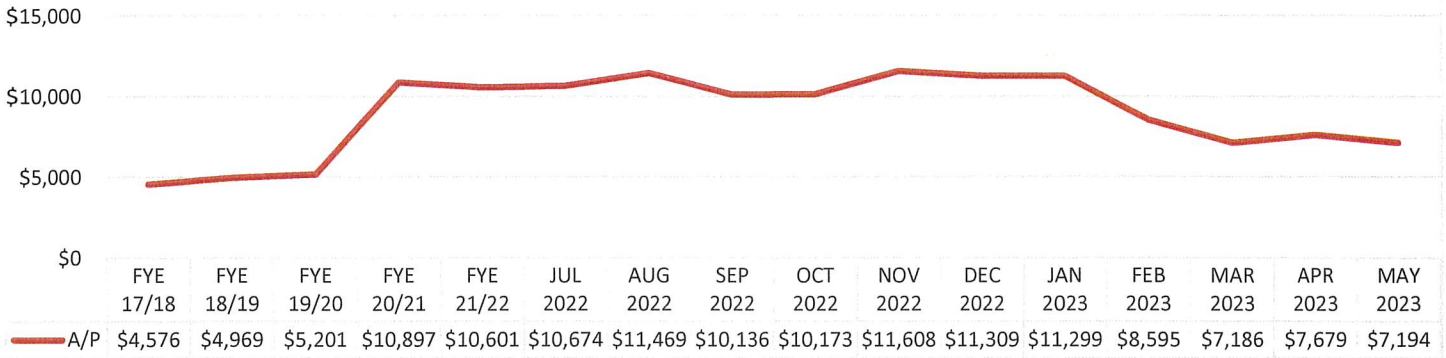
NET ACCOUNTS RECEIVABLE (000'S)



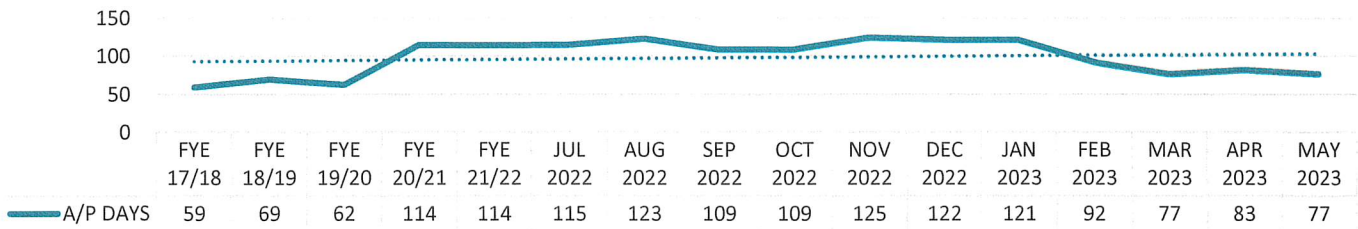
AVE. DAYS OF COLLECTIONS IN NET A/R



ACCOUNTS PAYABLE (000'S)



AVERAGE DAYS IN ACCOUNTS PAYABLE



SAN GORGONIO MEMORIAL HOSPITAL
EXECUTIVE FINANCIAL SUMMARY
ELEVEN MONTHS ENDING MAY 31, 2023

STATEMENT OF REVENUE AND EXPENSES - MONTH & YTD						
REF LINE#		05/31/23 ACTUAL	05/31/23 BUDGET	YTD ACTUAL	YTD BUDGET	YTD DIFFERENCE
	Revenue:					
[1]	Gross Patient Revenues	\$ 42,643,263	\$ 42,233,225	\$ 437,061,761	\$ 488,402,734	\$ (51,340,972)
[2]	Deductions From Revenue	(37,342,898)	(36,720,850)	(382,045,778)	(424,576,519)	42,530,741
[3]	Net Patient Revenues	5,300,365	5,512,375	55,015,984	63,826,215	(8,810,231)
[4]	IGT Revenue	-	-	11,273,599	12,288,244	(1,014,645)
[5]	Other Operating Revenue	811,554	557,030	13,034,121	10,002,520	3,031,601
[6]	Total Operating Revenues	6,111,918	6,069,405	79,323,704	86,116,979	(6,793,275)
	Expenses:					
[7]	Salaries, Benefits	4,550,467	4,648,967	50,054,870	51,194,436	1,139,566
	Contract Labor	57,987	75,606	1,023,703	839,486	(184,218)
	Physicians Fees	344,225	365,231	3,570,066	4,017,541	447,476
	Other Purchase Services	766,813	1,016,275	8,720,718	11,175,286	2,454,568
[8]	Purchased Serv. & Physician Fees	1,169,025	1,457,112	13,314,487	16,032,313	2,717,826
[9]	Supply Expenses	808,794	1,091,834	9,440,116	12,419,794	2,979,677
[10]	Other Operating Expenses & Clinic Loss	539,152	471,212	5,838,300	5,212,595	(625,705)
[11]	Supplimental and Grant Expense	-	-	1,097,983	1,097,985	2
[12]	Total Expenses	\$ 7,067,438	\$ 7,669,125	\$ 79,745,756	\$ 85,957,123	\$ 6,211,367
[13]	EBIDA	\$ (955,520)	\$ (1,599,720)	\$ (422,052)	\$ 159,856	\$ (581,908)
[14]	Depreciation & Interest Expense	1,182,429	1,128,087	11,438,587	11,882,131	443,545
[15]	Non-Operating Revenue/(Exp.)	630,125	1,092,982	8,693,972	12,022,798	(3,328,827)
[16]	TOTAL NET SURPLUS (LOSS)	\$ (1,507,824)	\$ (1,634,826)	\$ (3,166,667)	\$ 300,523	\$ (3,467,190)

SAN GORGONIO MEMORIAL HOSPITAL
EXECUTIVE FINANCIAL SUMMARY
ELEVEN MONTHS ENDING MAY 31, 2023

		BALANCE SHEET	
		YTD	Prior FYE
		5/31/2023	6/30/2022
ASSETS			
[1]	Current Assets	\$ 24,982,578	\$ 23,401,085
[2]	Assets Whose Use is Limited	17,267,590	12,704,494
[3]	Property, Plant & Equipment (Net)	74,142,660	73,514,801
[4]	Other Assets	576,739	503,000
[5]	Total Unrestricted Assets	116,969,566	110,123,380
[6]	Restricted Assets	0	0
[7]	Total Assets	\$ 116,969,566	\$ 110,123,380
LIABILITIES AND NET ASSETS			
[8]	Current Liabilities	\$29,809,710	\$33,649,575
[9]	Long-Term Debt	119,197,777	105,323,946
[10]	Other Long-Term Liabilities	4,852,624	2,231,626
[11]	Total Liabilities	\$ 153,860,111	\$ 141,205,147
[12]	Net Assets	\$ (36,890,545)	\$ (31,081,767)
[13]	Total Liabilities and Net Assets	\$ 116,969,566	\$ 110,123,380

KEY STATISTICS AND RATIOS

	03/31/23 ACTUAL	05/31/23 ACTUAL	05/31/23 BUDGET	2023 11 MOS.TOTAL	2022 11 MOS.TOTAL	2022 YR END TOTAL
	FY 23	FY 23	FY 23	FY 23	FY 22	FY 22
[1] Total Acute Patient Days	607	537	974	7,128	9,009	9,689
[2] Average Daily Census	20.2	17.3	31.4	21.3	26.9	26.5
[3] Average Acute Length of Stay	3.7	3.3	4.1	3.6	4.0	3.9
[4] Patient Discharges	165	163	240	2,005	2,270	2,478
[5] Adjusted Patient Days	1,789	1,738	1,939	19,696	19,767	21,422
[6] Observation Days	246	292	226	2,896	2,534	2,775
[7] Total Emergency Room Visits	3,341	3,543	3,086	38,502	35,904	39,374
[8] Average ED Visits Per Day	111	114	100	115	107	108
[9] Total Surgeries (Excluding G.I.'s)	107	125	115	1,300	773	855
[10] Deliveries/Births	8	7	11	117	159	175

Statement of Revenue and Expense
SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
ELEVEN MONTHS ENDING MAY 31, 2023

	DISTRICT ONLY	CURRENT MONTH			
		FY 23	FY 23	Positive	Percentage
		ACTUAL	CUR MO BUD	(Negative)	
ACTUAL	ACTUAL	ACTUAL	Variance	Variance	
	05/31/23	05/31/23	05/31/23		
Gross Patient Revenue					
[1] Inpatient Revenue	\$ -	\$ 13,178,063	\$ 21,157,043	\$ (7,978,980)	-37.7%
[2] Inpatient Psych/Rehab Revenue	-	-	-	-	-
[3] Outpatient Revenue	-	29,465,200	\$ 21,076,182	8,389,018	39.8%
[4] Long Term Care Revenue	-	-	-	-	-
[5] Home Health Revenue	-	-	-	-	-
[6] Total Gross Patient Revenue	\$ -	\$ 42,643,263	\$ 42,233,225	\$ 410,037	1.0%
Deductions From Revenue					
[7] Discounts and Allowances	-	(35,144,037)	\$ (35,157,087)	\$ 13,050	0.0%
[8] Bad Debt Expense	-	(2,076,998)	\$ (1,487,248)	(589,750)	39.7%
[9] Prior Year Settlements	-	-	\$ -	-	-
[10] Charity Care	-	(121,864)	\$ (76,516)	(45,347)	59.3%
[11] Total Deductions From Revenue	-	(37,342,898)	(36,720,850)	\$ (622,048)	1.7%
[12]		87.6%	-86.9%		
[13] Net Patient Revenue	\$ -	\$ 5,300,365	\$ 5,512,375	\$ (212,010)	-3.8%
Non Patient Operating Revenues					
[14] IGT/DSH Revenues	-	-	\$ -	\$ -	0.0%
[15] Grants & Other Op Revenues	-	440,060	\$ 303,855	136,205	44.8%
[16] Clinic Net Revenues	-	-	\$ -	-	-
[17] Tax Subsidies Measure D	246,994	246,994	\$ 246,994	(0)	0.0%
[18] Tax Subsidies Prop 13	124,500	124,500	\$ 154,500	(30,000)	-19.4%
[19] Tax Subsidies County Supplemental Funds	-	-	\$ 11,250	(11,250)	-100.0%
Non Patient Revenue	\$ 371,494	\$ 811,554	\$ 716,599	\$ 94,955	13.3%
Total Operating Revenue	\$ 371,494	\$ 6,111,918	\$ 6,228,974	\$ (117,055)	-1.9%
Operating Expenses					
[20] Salaries and Wages	-	3,569,623	3,729,661	\$ 160,037	4.3%
[21] Fringe Benefits	-	980,844	919,306	(61,538)	-6.7%
[22] Contract Labor	-	57,987	75,606	17,619	23.3%
[23] Physicians Fees	-	344,225	365,231	21,006	5.8%
[24] Purchased Services	15,479	766,813	1,016,275	249,462	24.5%
[25] Supply Expense	-	808,794	1,091,834	283,041	25.9%
[26] Utilities	996	105,066	110,398	5,333	4.8%
[27] Repairs and Maintenance	36,454	127,526	75,564	(51,962)	-68.8%
[28] Insurance Expense	-	122,000	122,979	979	0.8%
[29] All Other Operating Expenses	-	118,594	99,325	(19,269)	-19.4%
[30] Supplemental and Grant Expense	-	-	0	-	#DIV/0!
[31] Leases and Rentals	-	65,966	62,946	(3,020)	-4.8%
[32] Clinic Expense	-	-	0	-	0.0%
[33] Total Operating Expenses	\$ 52,929	\$ 7,067,438	\$ 7,669,125	\$ 601,687	7.8%
[34] EBIDA	\$ 318,565	\$ (955,520)	\$ (1,440,151)	\$ 484,632	-33.7%
Interest Expense and Depreciation					
[35] Depreciation	406,450	609,030	625,347	\$ 16,316	2.6%
[36] Interest Expense and Amortization	-	573,399	502,740	(70,658)	-14.1%
[37] Total Interest & depreciation	406,450	1,182,429	1,128,087	(54,342)	-4.8%
Non-Operating Revenue:					
[38] Contributions & Other	2,030	2,771	466,744	(463,973)	-99.4%
[39] Tax Subsidies for GO Bonds - M-A	627,353	627,353	626,237	1,116	0.2%
[40] Total Non Operating Revenue/(Expense)	629,383	630,125	1,092,982	\$ (462,857)	-42.3%
[41] Total Net Surplus/(Loss)	\$ 541,498	\$ (1,507,824)	\$ (1,475,257)	\$ (32,568)	2.2%
[42] Extra-ordinary loss on Financing	-	-	-	-	-
[43] Increase/(Decrease in Unrestricted Net Assets	\$ 541,498	\$ (1,507,824)	\$ (1,475,257)	\$ (32,568)	2.2%
[44] Total Profit Margin	145.76%	-24.67%	-23.68%		
[45] EBIDA %	85.75%	-15.63%	-23.12%		

Statement of Revenue and Expense
SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
ELEVEN MONTHS ENDING MAY 31, 2023

	YEAR-TO-DATE				
	DISTRICT ONLY			Positive (Negative) Variance	Percentage Variance
	Actual 05/31/23	Actual 05/31/23	Budget 05/31/23		
Gross Patient Revenue					
[1] Inpatient Revenue	\$ -	\$ 158,105,146	\$ 243,309,818	\$ (85,204,672)	-35.0%
[2] Inpatient Psych/Rehab Revenue	-	-	0	-	
[3] Outpatient Revenue	-	278,956,616	\$ 245,092,915	33,863,700	13.8%
[4] Long Term Care Revenue	-	-	\$ -	-	
[5] Home Health Revenue	-	-	-	-	
[6] Total Gross Patient Revenue	\$ -	\$ 437,061,761	\$ 488,402,734	\$ (51,340,972)	-10.5%
Deductions From Revenue					
[7] Discounts and Allowances	-	(370,717,158)	\$ (406,571,299)	\$ 35,854,141	-8.8%
[8] Bad Debt Expense	-	(10,343,172)	\$ (17,199,154)	6,855,983	-39.9%
[9] Prior Year Settlements	-	-	\$ -	-	
[10] Charity Care	-	(985,448)	\$ (806,065)	(179,383)	22.3%
[11] Total Deductions From Revenue	-	(382,045,778)	(424,576,519)	\$ 42,530,741	-10.0%
[12]		87.4%	-86.9%		
[13] Net Patient Revenue	\$ -	\$ 55,015,984	\$ 63,826,215	\$ (8,810,231)	-13.8%
Non Patient Operating Revenues					
[14] IGT/DSH Revenues	-	11,273,599	\$ 12,288,244	\$ (1,014,645)	-8.3%
[15] Grants & Other Op Revenues	-	8,619,997	\$ 5,462,338	3,157,659	57.8%
[16] Clinic Net Revenues	-	-	\$ -	-	
[17] Tax Subsidies Measure D	2,716,932	2,716,932	\$ 2,716,932	(0)	0.0%
[18] Tax Subsidies Prop 13	1,669,500	1,669,500	\$ 1,699,500	(30,000)	-1.8%
[19] Tax Subsidies County Supplemental Funds	27,692	27,692	\$ 123,750	(96,058)	-77.6%
Non- Patient Revenue	\$ 4,414,124	\$ 24,307,720	\$ 22,290,764	\$ 2,016,956	9.0%
Total Operating Revenue	\$ 4,414,124	\$ 79,323,704	\$ 86,116,979	\$ (6,793,275)	-7.9%
Operating Expenses					
[20] Salaries and Wages	-	39,704,740	41,075,963	\$ 1,371,222	3.3%
[21] Fringe Benefits	-	10,350,130	10,118,473	(231,656)	-2.3%
[22] Contract Labor	-	1,023,703	839,486	(184,218)	-21.9%
[23] Physicians Fees	-	3,570,066	4,017,541	447,476	11.1%
[24] Purchased Services	164,511	8,720,718	11,175,286	2,454,568	22.0%
[25] Supply Expense	-	9,440,116	12,419,794	2,979,677	24.0%
[26] Utilities	22,441	1,253,098	1,243,645	(9,453)	-0.8%
[27] Repairs and Maintenance	131,577	1,027,215	831,201	(196,014)	-23.6%
[28] Insurance Expense	-	1,293,214	1,352,767	59,553	4.4%
[29] All Other Operating Expenses	216,754	1,534,328	1,092,572	(441,756)	-40.4%
[30] Supplemental and Grant Expense	-	1,097,983	1,097,985	2	0.0%
[31] Leases and Rentals	-	730,446	692,411	(38,034)	-5.5%
[32] Clinic Expense	-	-	0	-	0.0%
[33] Total Operating Expenses	\$ 535,282	\$ 79,745,756	\$ 85,957,123	\$ 6,211,367	7.2%
[34] EBIDA	\$ 3,878,842	\$ (422,052)	\$ 159,856	\$ (581,908)	-364.0%
Interest Expense and Depreciation					
[35] Depreciation	4,494,540	6,081,695	6,742,383	\$ 660,688	9.8%
[36] Interest Expense and Amortization	4,177,671	5,356,891	5,139,748	(217,143)	-4.2%
[37] Total Interest & depreciation	8,672,211	11,438,587	11,882,131	443,545	3.7%
Non-Operating Revenue:					
[38] Contributions & Other	1,409,368	1,793,087	5,134,187	(3,341,100)	-65.1%
[39] Tax Subsidies for GO Bonds - M-A	6,900,884	6,900,884	6,888,612	12,273	0.2%
[40] Total Non Operating Revenue/(Expense)	8,310,252	8,693,972	12,022,798	(3,328,827)	-27.7%
[41] Total Net Surplus/(Loss)	\$ 3,516,882	\$ (3,166,667)	\$ 300,523	\$ (3,467,190)	-1153.7%
[42] Extra-ordinary loss on Financing	-	-	-	-	
[43] Increase/(Decrease in Unrestricted Net Assets	\$ 3,516,882	\$ (3,166,667)	\$ 300,523	\$ (3,467,190)	-1153.7%
[44] Total Profit Margin	79.67%	-3.99%	0.35%		
[45] EBIDA %	87.87%	-0.53%	0.19%		

Balance Sheet - Assets

**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
ELEVEN MONTHS ENDING MAY 31, 2023**

		ASSETS				
		DISTRICT ONLY				
		Current Month 5/31/2023	Current Month 5/31/2023	Prior Month 4/30/2023	Positive/ (Negative) Variance	Prior Year End 6/30/2022
Current Assets						
[1]	Cash and Cash Equivalents	3,148,271	\$8,320,587	\$8,777,821	\$ (457,234)	\$ 11,340,002
[2]	Gross Patient Accounts Receivable	\$0	\$86,744,177	\$84,936,165	\$ 1,808,012	77,594,807
[3]	Less: Bad Debt and Allowance Reserves	\$0	(\$76,309,238)	(\$74,767,757)	\$ (1,541,481)	(69,099,845)
[4]	Net Patient Accounts Receivable	\$0	\$10,434,940	\$10,168,408	\$ 266,532	8,494,961
[5]	Taxes Receivable	\$5,992,878	\$5,992,878	\$6,039,876	\$ (46,998)	1,178,859
[6]	Other Receivables (includes advances)	660,465	(\$473,540)	(\$592,005)	\$ 118,465	738,141
[7]	Inventories	\$0	\$2,866,447	\$2,627,548	\$ 238,899	2,297,204
[8]	Prepaid Expenses	126,169	\$843,467	\$887,583	\$ (44,116)	1,197,395
[9]	Due From Third Party Payers-DSH	\$0	(\$3,002,201)	(\$2,846,945)	\$ (155,256)	(1,845,477)
[10]	Malpractice Receivable	\$0	\$0	\$0	\$ -	-
[11]	Supplimental Receivables	\$0	\$0	\$0	\$ -	-
	Total Current Assets	9,927,783	24,982,578	25,062,287	\$ (736,481)	\$ 23,401,085
Assets Whose Use is Limited						
[12]	Cash					
[13]	Investments					
[14]	Bond Reserve/Debt Retirement Fund	\$17,267,590	\$17,267,590	\$17,266,949	\$ 642	12,704,494
[15]	Trustee Held Funds					
[16]	Funded Depreciation					
[17]	Board Designated Funds					
[18]	Other Limited Use Assets					0
	Total Limited Use Assets	17,267,590	17,267,590	17,266,949	\$ (223,324)	\$ 12,704,494
Property, Plant, and Equipment						
[19]	Land and Land Improvements	4,828,182	4,828,182	4,828,182	\$ -	\$ 4,828,182
[20]	Building and Building Improvements	129,281,491	129,281,491	129,281,491	\$ -	129,281,491
[21]	Equipment	27,119,506	29,633,206	29,691,479	\$ (58,273)	26,856,789
[22]	Construction In Progress	3,204,149	3,232,839	3,156,255	\$ 76,583	1,694,007
[23]	Capitalized Interest					
[24]	Gross Property, Plant, and Equipment	164,433,328	166,975,718	166,957,408	\$ 18,311	162,660,469
[25]	Less: Accumulated Depreciation	(\$92,833,058)	(\$92,833,058)	(\$92,426,609)	\$ (406,450)	(89,145,667)
[26]	Net Property, Plant, and Equipment	71,600,270	74,142,660	74,530,799	\$ (475,050)	\$ 73,514,801
Other Assets						
[27]	Unamortized Loan Costs	\$627,385	\$576,739	\$579,327	\$ (2,589)	\$ 614,440
[28]	Assets Held for Future Use		\$0	\$0	\$ -	485
[29]	Investments in Subsidiary/Affiliated Org.	\$31,431,679	\$0	\$0	\$ -	(111,925)
[30]	Other					
[31]	Total Other Assets	32,059,063	576,739	579,327	\$ (2,589)	\$ 503,000
[32]	TOTAL UNRESTRICTED ASSETS	130,854,706	116,969,566	117,439,362	\$ (469,795)	\$ 110,123,381
Restricted Assets						
		0	0	0	0	0
[33]	TOTAL ASSETS	\$130,854,706	\$116,969,566	\$117,439,362	\$ (469,795)	\$ 110,123,381

Balance Sheet - Liabilities and Net Assets

**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
ELEVEN MONTHS ENDING MAY 31, 2023**

	DISTRICT ONLY	LIABILITIES AND FUND BALANCE			
	Current Month 5/31/2023	Current Month 5/31/2023	Prior Month 4/30/2023	Positive/ (Negative) Variance	Prior Year End 6/30/2022
Current Liabilities					
[1] Accounts Payable	\$ 1,189,951	\$ 7,193,520	\$ 7,679,175	\$ (485,655)	\$ 10,600,622
[2] Notes and Loans Payable (Line of Credit)	-	-	-	\$ -	12,000,000
[3] Accounts Payable- Tax advance	-	-	-	\$ -	-
[4] Accrued Payroll Taxes	-	5,184,834	5,945,203	\$ (760,368)	5,597,527
[5] Accrued Benefits	-	-	-	\$ -	-
[6] Accrued Benefits Current Portion	-	-	-	\$ -	-
[7] Other Accrued Expenses	-	-	-	\$ -	-
[8] Accrued GO Bond Interest Payable	1,452,002	1,452,002	1,085,066	\$ 366,936	2,526,756
[9] Lease Liabilities	-	4,126,796	2,635,537	\$ 1,491,260	4,259
[10] Due to Third Party Payers (Settlements)	-	3,417,500	3,417,500	\$ -	-
[11] Advances From Third Party Payers	-	-	-	\$ -	-
[12] Current Portion of LTD (Bonds/Mortgages)	2,335,000	2,335,000	2,335,000	\$ -	2,335,000
[13] Current Portion of LTD (Leases)	-	5,509,384	2,382,475	\$ 3,126,909	-
[14] Other Current Liabilities	-	590,672	585,931	\$ 4,741	585,411
Total Current Liabilities	4,976,953	29,809,710	26,065,887	\$ 3,743,823	33,649,575
Long Term Debt					
[15] Bonds/Mortgages Payable (net of Cur Portion)	99,543,964	\$99,996,965	\$ 102,345,323	\$ (2,348,358)	\$ 103,030,598
[16] Leases Payable (net of current portion)	\$19,799,676	\$19,200,811	\$19,557,247	\$ (356,436)	\$2,293,348
[17] Total Long Term Debt (Net of Current)	119,343,640	119,197,777	121,902,571	\$ 360,443,988	105,323,946
Other Long Term Liabilities					
[18] Deferred Revenue	-	-	-	\$ -	-
[19] Accrued Pension Expense (Net of Current)	-	-	-	\$ -	-
[20] Other-Bridge Loan	0	4,852,624	4,852,624	\$ -	2,231,628
[21] Total Other Long Term Liabilities	0	4,852,624	4,852,624	\$ -	2,231,628
TOTAL LIABILITIES	\$ 124,320,594	\$ 153,860,111	\$ 152,821,082	\$ 1,039,029	\$ 141,205,148
Net Assets:					
[22] Unrestricted Fund Balance	3,017,231	(33,723,878)	(33,723,878)	\$ -	\$ (25,347,940)
[23] Temporarily Restricted Fund Balance	-	-	-	\$ -	-
[24] Restricted Fund Balance	-	-	-	\$ -	-
[25] Net Revenue/(Expenses)	3,516,882	(3,166,667)	(1,657,843)	\$ (1,508,824)	(5,733,827)
[26] TOTAL NET ASSETS	6,534,113	(36,890,545)	(35,381,721)	\$ (1,508,824)	\$ (31,081,767)
[27] TOTAL LIABILITIES AND NET ASSETS	\$ 130,854,707	\$ 116,969,566	\$ 117,439,362	\$ (469,796)	\$ 110,123,381
	\$ 0	\$ (0)	\$ 0	\$ 0	\$ -

Statement of Cash Flows

SAN GORGONIO MEMORIAL HOSPITAL BANNING, CALIFORNIA ELEVEN MONTHS ENDING MAY 31, 2023

		CASH FLOW	
		Current	
HEALTHCARE SYSTEM CASH FLOW		Month	
		5/31/2023	
BEGINNING CASH BALANCES			
[1]	Cash: Beginning Balances- HOSPITAL	\$	6,629,389
[2]	Cash: Beginning Balances- DISTRICT		2,148,432
[3]	Cash: Beginning Balances TOTALS	\$	8,777,821
Receipts			
[4]	Pt Collections	\$	4,444,196
[5]	Tax Subsidies Measure D/Prop 13		1,075,976
[6]	Misc Tax Subsidies		-
[7]	Donations/Grants		-
[8]	IGT & other Supplemental (Net)		303,854
[9]	Draws/(Paydown) of LOC Balances		-
[10]	Other Misc Receipts/Transfers		440,060
	TOTAL RECEIPTS	\$	6,264,086
Disbursements			
[11]	Payroll/ Benefits	\$	4,550,467
[12]	Other Operating Costs		2,580,225
[13]	Capital Spending		76,283
[14]	Debt serv payments (Hosp onlyw/ LOC interest)		
[15]	Other (increase) in AP /other bal sheet		(485,655)
[16]	TOTAL DISBURSEMENTS	\$	6,721,320
[17]	TOTAL CHANGE in CASH	\$	(457,234)
ENDING CASH BALANCES			
[18]	Ending Balances- HOSPITAL	\$	5,172,316
[19]	Ending Balances- DISTRICT		3,148,271
[20]	Ending Balances- TOTALS	\$	8,320,587
ADDITIONAL INFO			
[21]	LOC CURRENT BALANCES	\$	-
			\$216,000

TAB E

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

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

Agenda Item for June 27, 2023 Finance Committee and July 11, 2023 Board Meetings

Subject:

Recommendation for Approval of San Gorgonio Memorial Hospital and Health Care District
June 30, 2024 Operating and Capital Budgets

Key Issues:

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

The 2024 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 Hospital and Health Care District FYE June 30, 2024 Operating and Capital Budgets as presented.

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT and HOSPITAL

FYE June 30, 2024 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 21, 2023

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT AND HOSPITAL

FYE June 30, 2024 Budget Assumptions

Key Issues:

Growth Opportunities and Recovery from Volume Downturn in 2023

Programs:

Complete development and set-up for new Stroke Program services with expected opening by January, 2024

Initiate development of expanded O/B Program to commence July 2024

Internal Medicine Residency Program to be expanded

Continuation of Physician Specialty Coverages in Emergency Room

Workloads:

A general overall 5% patient workload increase is projected

Operations:

Revenues:

Slight increase in Medicare Reimbursement; No change in Medi-Cal Reimbursement

Nominal increases in PPO and other managed care contracts

Supplemental Funding, DSH, P4P, and Other Income and Grants will decrease by \$1,564,116

Graduate Medical Education Funding program to be expanded

There are no Aggregated Overall Increase in Patient Charge Rates for FYE 2024 (following 4.46% and 72.2% increases in 2022 and 2021 respectively).

Expenses:

Focus to continue with 2023 Operating and Staffing levels – Slight increases in various areas required for patient safety, quality, compliance monitoring or otherwise mandated by regulation; Flex down during lower volume periods

Wages include impact of 2.5% overall \$1,007,000 increase in April, 2023, plus net \$480,000 allocated for changes in certain shift, weekend, and lead staff differentials, per diem pay rates, and CPSL costs

Ensure Operational Efficiencies:

Improve overall productivity by 2.3%

Reduction in Contract Labor, Overtime, and Double time costs

Increase in Residency Costs (to be offset from Medicare)

Purchased Services costs to increase primarily for Altera, Guidehouse, and Legal fees for litigation matters

Supplies cost increases consistent with 2023 changes and various inflationary rates annualized at 4.1%

Utilities slight decrease due to savings created by new energy reduction program

Other Expenses to decrease primarily to absence of District election costs (\$225,000) and Prime grant (\$140,000)

Leases/Rentals are impacted 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: Patient Monitoring, Anesthesia Machines, I/T Servers, Surgery Sterilizers, and Stroke program projects and equipment

Other routine equipment acquisitions

Pursue compliance with Line of Credit covenants

Continue Pursuit of Funding and Grants opportunities

Debt Service for Bridge Loan Financing and 2021 Revenue Bonds provided from Unrestricted Taxes and Revenues

Debt Service for General Obligation Bonds from Measure A property Taxes

Repay first QIP Loan and 2022 Other Non-Operating Expenses

Renew \$12M Line of Credit

Report Format:

The 2024 Operating Budget was prepared in the new Premier Budget Financial Reporting (BFR) software system. Future financial reporting will also be prepared in this system and will reduce report preparation time. Please note that the BFR system tabulates Totals from the "bottom up" method, in contrast to the "top down" method which we have historically used.

	C	D	E	J	K	L	M
1	SAN GORGONIO MEMORIAL HEALTH CARE DISTRICT AND HOSPITAL	ACTUAL 2021	ACTUAL 2022	FORECAST 2023	BUDGET 2024	VARIANCE 2024 TO 2023	VARIANCE PERCENTAGE
2	WORKLOAD INDICATORS						
3							
4	PATIENT DAYS	11,033	9,689	8,131	8,538	407	5.01%
5							
6	AVERAGE DAILY CENSUS	30.23	26.55	22.28	23.33	1.05	4.72%
7							
8	INPATIENT ADMISSIONS/DISCHARGES	2,667	2,478	2,268	2,381	113	4.98%
9							
10	AVERAGE LENGTH OF STAY	4.14	3.91	3.59	3.59	0.00	0.02%
11							
12	EMERGENCY VISITS	33,299	39,374	42,173	44,282	2,109	5.00%
13							
14	EMERGENCY VISITS PER DAY	91	108	116	121	5	4.71%
15							
16	SURGICAL CASES	837	855	1,419	1,490	71	5.00%
17							
18	G.I. CASES	307	503	254	267	13	5.12%
19							
20	NEWBORN DELIVERIES	158	175	135	142	7	5.19%
21							
22	PAID FTE'S	476	469	464	476	12	2.55%
23							
24	ADJUSTED PATIENT DAYS	25,143	21,904	22,128	22,691	563	2.54%
25							
26	PAID FTE'S PER ADJUSTED PATIENT DAY	6.91	7.82	7.65	7.65	0.00	0.01%
27							
28	Note: Patient Day increases include an estimated 120 days related to the Stroke Program which is planned to open in January, 2024					Prepared:	06/20/23

	C	D	E	F	G	H	I	K	L	Q	R	S	T	
1	SAN GORGONIO MEMORIAL HEALTH CARE DISTRICT AND HOSPITAL							ACTUAL 2021	ACTUAL 2022	FORECAST 2023	BUDGET 2024	VARIANCE 2024 TO 2023	Var%	
2	STATEMENT OF REVENUES AND EXPENSES													
3								(20,786,050)	(9,658,218)	696,075	1,151,173	455,098	65.38%	
4														
5	NET SERVICE REVENUE							66,083,022	80,560,097	88,088,341	90,754,657	2,666,316	3.03%	
6	NET PATIENT REVENUE							45,162,759	61,029,594	59,658,744	63,889,176	4,230,432	7.09%	
7	GROSS REVENUE FROM PATIENT SERVICES							255,180,641	450,425,580	473,302,199	501,869,129	28,566,930	6.04%	
8	TOTAL INPATIENT REVENUE							111,976,457	199,240,684	173,912,500	188,837,210	14,924,710	8.58%	
9	TOTAL OUTPATIENT REVENUE							143,204,184	251,184,896	299,389,699	313,031,919	13,642,220	4.56%	
10	DEDUCTIONS FROM REVENUE							(210,017,882)	(389,395,986)	(413,643,455)	(437,979,953)	(24,336,498)	5.88%	
13	CONTRACTUAL ALLOWANCES							(199,628,805)	(375,205,782)	(402,687,745)	(426,868,911)	(24,181,166)	6.00%	
14	BAD DEBT EXPENSE							(9,892,737)	(12,546,840)	(9,919,409)	(10,060,048)	(140,639)	1.42%	
15	CHARITY WRITE_OFFS							(496,340)	(1,643,364)	(1,036,301)	(1,050,994)	(14,693)	1.42%	
16	OTHER OPERATING REVENUE							20,920,263	19,530,503	28,429,597	26,865,481	(1,564,116)	-5.50%	
17	OTHER REVENUE - RATE RANGE							10,436,480	6,622,953	11,273,599	11,273,599	0	0.00%	
18	OTHER REVENUE - OTHER SUPPLEMENTALS							3,418,942	5,723,549	5,309,174	5,284,257	(24,917)	-0.47%	
19	OTHER REVENUE - DSH							1,090,188	515,700	1,468,419	960,965	(507,454)	-34.56%	
20	OTHER REVENUE - P4P							0	0	1,398,555	475,500	(923,055)	-66.00%	
21	OTHER REVENUE - OTHER							1,553,151	1,855,472	4,128,694	3,953,232	(175,462)	-4.25%	
22	OPERATING TAX REVENUES							4,421,502	4,812,829	4,851,156	4,917,928	66,772	1.38%	
23	TOTAL OPERATING EXPENSE							82,815,064	84,127,263	86,961,392	89,767,508	2,806,116	3.23%	
25	TOTAL LABOR EXPENSE							49,163,195	52,218,603	55,679,918	57,032,657	1,352,739	2.43%	
26	EMPLOYEE WAGES & BENEFITS							47,784,569	51,018,883	54,521,058	55,955,399	1,434,341	2.63%	
27	WAGES							37,501,904	41,051,690	43,277,915	43,988,069	710,154	1.64%	
38	EMPLOYEE BENEFITS							10,282,665	9,967,193	11,243,143	11,967,330	724,187	6.44%	
47	CONTRACT LABOR							1,378,626	1,199,720	1,158,860	1,077,258	(81,602)	-7.04%	
50	PHYSICIAN FEES							4,209,399	3,966,400	3,871,008	3,746,233	(124,775)	-3.22%	
53	PURCHASED SERVICES							9,268,035	10,710,257	9,680,115	10,733,763	1,053,648	10.88%	
69	SUPPLY EXPENSE							10,846,597	11,945,347	10,262,587	11,018,170	755,583	7.36%	
92	UTILITIES							1,107,443	1,334,299	1,377,639	1,296,509	(81,130)	-5.89%	
97	REPAIRS AND MAINTENANCE							1,676,546	930,286	1,079,627	989,056	(90,571)	-8.39%	
99	INSURANCE							1,328,202	1,352,942	1,446,424	1,755,470	309,046	21.37%	
100	OTHER EXPENSES							2,194,176	1,213,701	1,656,714	1,199,908	(456,806)	-27.57%	
121	IGT EXPENSES - RATE RANGE							2,068,389	0	1,097,985	1,097,985	0	0.00%	
122	LEASE AND RENTALS							953,082	455,428	809,375	897,757	88,382	10.92%	
126	TOTAL NON-OPERATING REVENUE & EXPENSE							7,266,367	7,693,520	9,946,066	11,844,574	1,898,508	19.09%	
131	OTHER NON-OPERATING REVENUE							85,447	300,815	2,417,830	4,316,338	1,898,508	78.52%	
135	NON-OPERATING TAX REVENUE							7,180,920	7,392,705	7,528,236	7,528,236	0	0.00%	
136	EXTRAORDINARY REVENUE (EXPENSE)							(7,800)	(3,417,500)	0	0	0	0.00%	
141	TOTAL INTEREST & DEPRECIATION							11,312,575	10,367,072	10,376,940	11,680,550	1,303,610	12.56%	
142	DEPRECIATION EXPENSE							5,936,648	5,667,801	5,092,791	6,415,113	1,322,322	25.96%	
143	INTEREST & AMORTIZATION							5,375,927	4,699,271	5,284,149	5,265,437	(18,712)	-0.35%	
144	INTEREST EXPENSE							348,576	408,970	846,621	944,735	98,114	11.59%	
145	AMORTIZATION EXPENSE							5,027,351	4,290,301	4,437,528	4,320,702	(116,826)	-2.63%	

	C	D	E	F	G	H	U	V
2	SAN GORGONIO MEMORIAL HEALTH CARE DISTRICT & HOSPITAL				FYE 2021	FYE 2022	PROJECTED FYE 2023	BUDGET FYE 2024
3	NET BALANCE SHEET				(24,065,659)	(33,723,878)	696,075	1,151,173
4								
5	TOTAL ASSETS				105,194,600	113,846,353	117,122,860	114,409,133
6	CURRENT ASSETS				15,343,190	23,514,397	24,577,759	19,816,688
7	CASH & EQUIVALENTS				2,420,953	11,073,862	12,441,424	6,200,802
8	NET PATIENT ACCOUNTS RECEIVABLE				7,939,203	8,746,991	10,007,649	9,989,635
9	HOSPITAL ACCOUNTS RECEIVABLE				58,800,003	77,594,809	83,593,351	83,442,883
10	LESS: ALLOWANCE FOR BAD DEBTS				(50,860,800)	(68,847,818)	(73,585,702)	(73,453,248)
11	OTHER CURRENT ASSETS				4,983,034	3,693,544	2,128,686	3,626,251
12	TAXES RECEIVABLE				2,015,108	1,517,880	2,126,934	1,820,287
13	MISC RECEIVABLE				0	0	432,332	648,000
14	DUE FROM 3RD PARTIES				1,169,887	0	(3,363,068)	(1,863,068)
15	INVENTORIES				1,776,554	1,829,462	2,332,548	2,391,095
16	PREPAID EXPENSES				21,485	346,202	599,940	629,937
17	ASSETS WITH LIMITED USE				9,566,747	12,449,588	17,266,949	19,852,693
18	BOND DEBT SERVICE & RESERVES				78,808,343	76,582,823	74,124,678	73,648,438
19	NET PROPERTY, PLANT, AND EQUIPMENT				162,386,701	165,828,982	164,317,091	168,888,346
20	PROPERTY, PLANT, AND EQUIPMENT				2,774,116	2,774,116	4,828,182	4,828,182
21	LAND & LAND IMPROVEMENTS				122,335,676	122,335,676	129,281,491	129,281,491
22	BUILDINGS & BUILDING IMPROVEMENTS				36,103,703	38,143,422	26,851,163	33,722,418
23	FIXED EQUIPMENT				1,173,206	2,575,768	3,356,255	1,056,255
24	CONSTRUCTION IN PROGRESS				(83,578,358)	(89,246,159)	(90,192,413)	(95,239,908)
25	LESS: ACCUMULATED DEPRECIATION				645,507	605,217	486,459	455,379
26	OTHER ASSETS				551,194	409,634	90,278	90,278
27	OTHER ASSETS				279,619	284,694	576,737	545,657
28	INVESTMENT IN AFFILIATE							
29	BONDS							
30	TOTAL LIABILITIES & FUND BALANCE				105,194,600	113,846,353	117,122,860	114,409,133
31	TOTAL LIABILITIES				129,260,259	147,570,231	150,150,663	146,285,763
32	CURRENT LIABILITIES				22,911,584	39,379,684	24,317,610	31,405,130
33	ACCOUNTS PAYABLE				A/P	10,897,079	10,416,438	5,727,056
34								
35	PAYROLL PAYABLES				4,865,852	6,546,139	4,676,033	5,142,547
36	SALARIES & WAGES PAYABLE - ACCRUED PAYR				1,775,320	2,057,716	581,249	826,409
37	PAYROLL TAXES & DEDUCTIONS PAYABLE				807,904	2,029,678	1,483,558	1,587,407
38	ACCRUED PTO & SICK DAYS PAYABLE				2,282,628	2,458,745	2,611,226	2,728,731
39	LINE OF CREDIT				0	12,000,000	3,000,000	12,000,000
40	OTHER CURRENT LIABILITIES				7,148,653	10,417,107	10,914,521	7,645,064
41	ACCRUED INTEREST PAYABLE				1,943,680	1,929,921	1,835,516	1,582,547
42	CURRENT PORTION LTD (DISTRICT)				2,640,000	2,917,257	4,717,475	5,697,724
43	LEASE LIABILITIES				444,396	608,561	542,777	191,065
44	NON OPERATING LIABILITIES				2,120,577	3,417,500	3,417,500	0
45	OTHER CURRENT LIABILITIES				0	1,543,868	401,253	173,728
46								
47	LONG TERM LIABILITIES				106,348,675	108,190,547	125,833,053	114,880,633
48	LONG-TERM DEBT				105,840,892	104,662,452	120,211,203	111,965,415
49	LONG-TERM LEASE				507,783	1,273,925	769,226	267,747
50	OTHER LT LIABILITIES - QIP				0	2,254,170	4,852,624	2,647,471
51								
52	NET ASSETS - BEGINNING OF PERIOD				(3,261,178)	(24,065,659)	(33,723,878)	(33,027,803)

	B	E	F	G	H
1	SAN GORGONIO MEMORIAL HEALTH CARE DISTRICT AND HOSPITAL				
2					
3	CASH FLOW STATEMENT - Abbreviated (Excluding G.O Bonds Taxes & Related Debt Service)				
4					
5		FY 2021	FY 2022	PROJECTED FY 2023	BUDGET FY 2024
6	Cash: Beginning Balances	\$ 9,735,801	\$ 2,395,672	\$ 11,073,862	\$ 12,441,424
7	Receipts				
8	Pt Collections	61,413,594	58,895,822	62,615,995	63,889,176
9	Taxes (Non- Debt Service)	1,860,424	4,812,829	4,851,156	4,917,928
10	Supplementals & Other Income	4,621,512	14,693,053	23,578,441	21,947,554
11	Supplemental Loans (QIP)	0	2,254,169	2,647,471	0
12	Revenue Bond for Siemens Project	2,350,000	0	0	0
13	Revenue Bonds to Restricted	(2,035,000)	0	0	0
14	Bridge Loan Financing	0	0	8,424,538	0
15	Equipment Grant	0	0	381,000	452,000
16	Increases (Decr.) in LOC Principal Owed	(6,000,000)	12,000,000	(9,000,000)	9,000,000
17	Foundation Capital Funding	0	1,601,860	2,036,830	3,864,336
18	Other Receipts/Payments/ Adjust.	12,463,615	1,700,342	(3,208,109)	(4,871,401)
19	Total Receipts	74,674,145	95,958,075	92,327,322	99,199,593
20					
21	Disbursements				
22	Payroll/ Benefits	47,043,419	49,103,172	54,521,058	55,011,919
23	Other Operating Costs	35,213,556	34,034,688	32,228,334	35,411,380
24	Reduction (Incr) in A/P	(1,382,995)	480,641	(533,255)	(921,544)
25	Capital Spending	377,004	1,997,152	2,417,830	6,375,956
26	Interest: LOC, Bonds ('21 & '22)	674,371	465,216	846,621	896,621
27	Third Party Repayments	0	0	0	1,500,000
28	Capital Lease Payments	0	0	655,238	976,896
29	Loan / Non-Operating Payments	63,638	1,199,016	823,934	6,188,987
30	Total Disbursements	81,988,993	87,279,885	90,959,760	105,440,215
31	Total Change in Cash	(7,314,848)	8,678,190	1,367,562	(6,240,622)
32	Ending Balances	\$ 2,420,953	\$ 11,073,862	\$ 12,441,424	\$ 6,200,802
33					
34	Goal - Cash on Hand	\$ 4,000,000	\$ 11,750,000	\$ 12,300,000	\$ 12,800,000
35	LOC Balance	\$ -	\$ 12,000,000	\$ 3,000,000	\$ 12,000,000

San Gorgonio Memorial Hospital

3-Year Capital Budget
FYE's 2024 - 2026

				FY 2023	Priority	FY 2024	FY 2025	FY 2026
					1 = Highest, 4 = Lowest			
DESCRIPTION	DEPARTMEN	Owner	Notes					
Pharmicetical Dispensing systems	Pharmacy	Lopez		\$ 850,000		\$ -		\$ -
ICU Monitors & Telemetry System	Nursing Units	Brady		\$ 673,000	1-P	\$ 1,178,316		\$ -
Metal Detectors - OB and ER Entrances	Nursing Units	Hunter		\$ 36,170	1	\$ 40,000		
Automatic Transfer Switch	Plant	Sanchez		\$ 150,000	2		\$ 200,000	\$ -
Floor Replacement due Poor Moisture	Plant	Sanchez	Main Hallways		4		\$ 225,000	\$ -
Parking Lot Striping	Plant	Sanchez			4			\$ 75,000
Circulating Pump	Plant	Sanchez		\$ 15,000	4	\$ -		\$ 15,000
Air Curtain Fly Fan x 4	Plant	Sanchez	\$6,300 each	\$ 28,000	4	\$ -		\$ 28,000
Storage containers (3)	Plant	Sanchez	Life Safety Issue		4		\$ 52,000	\$ -
Infant Security System	Plant	Sanchez	OB Upgrade	\$ 40,000		\$ -		\$ -
OR1 Med Gas panel Communication	Plant	Sanchez	Regulatory - panel is not communicating with PBX or Eng = a regulatory issue	\$ 8,000	1	\$ 8,000		
Medcial Gas Control panel replacement	Plant	Sanchez	Replacement malfunctioning unit	\$ 20,000	1	\$ 20,000		\$ 20,000
Sterile Processing Humidification System	Plant	Sanchez	Regulatory	\$ 246,850	1	\$ 250,000		\$ -
Package A/C Units (6each)	Plant	Sanchez	5 units for replacment of aged units		1	\$ 25,000	\$ 50,000	\$ 50,000
Riding Floor Care unit	EVS	Medraano	Efficiency		2	\$ 12,000		
Doppler Ultrasound System	O/R	Goodner			4		\$ 43,575	\$ -
New Scrub Sinks (& faucet repair)	O/R	Goodner		\$ 29,053	4		\$ 29,053	\$ -
Power Set	O/R	Goodner		\$ -	1-P	\$ 28,000		\$ -
Steam Instrument Sterilizer	O/R	Goodner	Aging Equipment	\$ 121,895	1-P	\$ 325,000		\$ -
Operating Lights	O/R	Goodner	Make OR 3 functional	\$ 141,630	1	\$ 200,000		\$ -
Anesthesia Machines	OR	Goodner	Old Equipment 2 Eavh with monitors			\$ 1,900,000		
Surgical Robotic system `	OR	Goodner	DaVinci					
Robotic Table	O/R	Goodner		\$ 97,896	3		\$ 100,000	\$ -
Fracture Table	O/R	Goodner		\$ 112,516	1	\$ 120,000		\$ -
						\$ -		
Mindray Monitors in RC/Doc Area	ED	Phillippi	Included in Pt Monitors		4	\$ -		\$ -
Space IV Pumps (x 5)	ED	Phillippi		\$ 63,750	2	\$ 63,750		\$ -
Visitor Camera System	Security	Hunter		\$ -	4	\$ -		\$ 38,000
Panic Alarm	Security	Hunter	Expansion of Units		3		\$20,000	
Flouroscopy/Rad Room (Room 2)	Imaging	Chamberlin		\$ 1,005,000	2		\$ 1,005,000	\$ -
Rad Room 1	Imaging	Chamberlin			2			\$ 800,000
PAC'S Cube Replacement	Imaging	Chamberlin		\$ 14,319	1	\$ 14,319		\$ -
AI Doc	Imaging	Chamberlin			1	\$ 150,000		
Portable X-Ray Machine	Imaging	Chamberlin		\$ 170,000	2		\$ 130,000	
Hybrid CT/NM Camera (Spect)	Imaging	Chamberlin		\$ 2,000,000	1	\$ 2,000,000		\$ -
Mammograph y w/ Tomo & Stereo	Imaging	Chamberlin		\$ 536,000	4	\$ -		\$ 500,000

San Geronio Memorial Hospital

3-Year Capital Budget
FYE's 2024 - 2026

				FY 2023	Priority	FY 2024	FY 2025	FY 2026
					1 = Highest, 4 = Lowest			
DESCRIPTION	DEPARTMEN	Owner	Notes					
Disaster Food Replacement			Needed in FY 2026		4			\$ 20,000
Dietary Food Management (Software)	Dietary	Hawthorne		\$ 49,365	4	\$ -		\$ 48,000
IS Upgrades and Server Replacements	I/T	Maja	3PAR -High Priority, Med Surg rooms P	\$ 250,000	1-P	\$ 300,000		\$ -
Hospitalwide Badge Computer Access	I/T	Maja		\$ 151,050	3		\$ 151,000	\$ -
CS-2500 Coagulation Analyzer (Back-up Unit)	Lab	Hazley	Stroke Program	\$ 45,000	1	\$ 44,000		\$ -
Chemistry Analyzers	Lab	Hazley	Aged Equipment		1	\$ 360,000		
Blood Bank Program Upgrade	Lab	Hazley	Software sunsetted		1	\$ 190,000		
CD Image Maker	HIM	Cornwall	Cost savings	\$ -	2	\$ 16,620		\$ -
Panda Infant Warmer	OB	Gunther			3		\$35,000	
Labor Bed	OB	Gunther			3		\$18,750	\$ -
Guest pull-out bed/chairs x 11	OB	Gunther	\$3,850 each		3		\$42,350	
Delivery Room Monitor Carts	OB	Gunther	6 each		3		\$45,000	
Patient Transport Van	Behavioral H.	Maciel	Replacement Van		3	\$ 45,000		\$ -
Flooring for Therapy Rooms	Behavioral H.	Maciel	Replace worn/torn carpet with		2	\$ 10,000		\$ -
Contingency	All	Barron		\$ 413,791	1	\$ 219,805		
Total Requests				\$ 7,268,285		\$ 7,519,810	\$ 2,146,728	\$ 1,594,000
Less Donated Equipment			FY 2022 Projected = (\$831,623)	\$ (5,200,000)		\$ (6,415,000)	\$ -	\$ -
Less Projected Donations				\$ (5,540,931)		\$ (150,000)		
Less Property Taxes for Capital				\$ (1,854,000)		\$ (954,810)		
Requests Over (Under) Funds				\$ (5,326,646)		\$ -	\$ 2,146,728	\$ 1,594,000

	C	D	E	F	G	H	I	K	L	Q	R	S	T	
1	SAN GORGONIO MEMORIAL HEALTH CARE DISTRICT (ONLY)							ACTUAL 2021	ACTUAL 2022	FORECAST 2023	BUDGET 2024	VARIANCE 2024 TO 2023	Var%	
2	STATEMENT OF REVENUES AND EXPENSES													
3								(121,707)	844,183	3,699,679	4,636,257	936,578	25.32%	
4														
5	NET SERVICE REVENUE							4,421,502	3,392,404	4,841,531	4,956,145	114,614	2.37%	
6	NET PATIENT REVENUE							0	0	0	0	0	0.00%	
7	GROSS REVENUE FROM PATIENT SERVICES							0	0	0	0	0	0.00%	
8	TOTAL INPATIENT REVENUE							0	0	0	0	0	0.00%	
9	TOTAL OUTPATIENT REVENUE							0	0	0	0	0	0.00%	
10	DEDUCTIONS FROM REVENUE							0	0	0	0	0	0.00%	
13	CONTRACTUAL ALLOWANCES							0	0	0	0	0	0.00%	
14	BAD DEBT EXPENSE							0	0	0	0	0	0.00%	
15	CHARITY WRITE_OFFS							0	0	0	0	0	0.00%	
16	OTHER OPERATING REVENUE							4,421,502	3,392,404	4,841,531	4,956,145	114,614	2.37%	
17	OTHER REVENUE - RATE RANGE							0	0	0	0	0	0.00%	
18	OTHER REVENUE - OTHER SUPPLEMENTALS							0	0	0	0	0	0.00%	
19	OTHER REVENUE - DSH							0	0	0	0	0	0.00%	
20	OTHER REVENUE - P4P							0	0	0	0	0	0.00%	
21	OTHER REVENUE - OTHER							44,156	227,933	23,603	38,217	14,614	61.92%	
22	OPERATING TAX REVENUES							4,377,346	3,164,471	4,817,928	4,917,928	100,000	2.08%	
23	TOTAL OPERATING EXPENSE							818,882	566,199	604,026	483,912	(120,114)	-19.89%	
25	TOTAL LABOR EXPENSE							0	0	0	0	0	0.00%	
26	EMPLOYEE WAGES & BENEFITS							0	0	0	0	0	0.00%	
27	WAGES							0	0	0	0	0	0.00%	
38	EMPLOYEE BENEFITS							0	0	0	0	0	0.00%	
47	CONTRACT LABOR							0	0	0	0	0	0.00%	
50	PHYSICIAN FEES							0	0	0	0	0	0.00%	
53	PURCHASED SERVICES							670,027	163,198	340,632	445,518	104,886	30.79%	
69	SUPPLY EXPENSE							0	0	0	0	0	0.00%	
92	UTILITIES							0	0	0	0	0	0.00%	
97	REPAIRS AND MAINTENANCE							0	0	0	0	0	0.00%	
99	INSURANCE							0	0	0	0	0	0.00%	
100	OTHER EXPENSES							148,855	403,001	263,394	38,394	(225,000)	-85.42%	
121	IGT EXPENSES - RATE RANGE							0	0	0	0	0	0.00%	
122	LEASE AND RENTALS							0	0	0	0	0	0.00%	
126	TOTAL NON-OPERATING REVENUE & EXPENSE							7,282,040	7,476,364	9,839,114	11,844,574	2,005,460	20.38%	
131	OTHER NON-OPERATING REVENUE							101,120	83,654	2,310,878	4,316,338	2,005,460	86.78%	
135	NON-OPERATING TAX REVENUE							7,180,920	7,392,710	7,528,236	7,528,236	0	0.00%	
136	EXTRAORDINARY REVENUE (EXPENSE)							(7,800)	0	0	0	0	0.00%	
141	TOTAL INTEREST & DEPRECIATION							10,998,567	9,458,386	10,376,940	11,680,550	1,303,610	12.56%	
142	DEPRECIATION EXPENSE							5,936,648	5,131,231	5,092,791	6,415,113	1,322,322	25.96%	
143	INTEREST & AMORTIZATION							5,061,919	4,327,155	5,284,149	5,265,437	(18,712)	-0.35%	
144	INTEREST EXPENSE							0	0	846,621	944,735	98,114	11.59%	
145	AMORTIZATION EXPENSE							5,061,919	4,327,155	4,437,528	4,320,702	(116,826)	-2.63%	