



AGENDA

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

Tuesday, May 31, 2022 – 9:00 AM

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD/COMMITTEE MEETING IN PERSON. MEMBERS OF THE PUBLIC MAY LISTEN TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:

Meeting Information:

Call in number: 1-510-338-9438

Access Code: 2555 276 6610

Passcode: 1234

Meeting Link: <https://sangorgoniomemorialhospital-ajd.my.webex.com/sangorgoniomemorialhospital-ajd.my/j.php?MTID=mc31d339bdcfd467ad09c02b0c3daa6c1>

THE TELEPHONES OF ALL MEMBERS OF THE PUBLIC LISTENING IN ON THIS MEETING MUST BE “MUTED”.

TAB

I. Call to Order

E. Ngo

II. Public Comment

Members of the public who wish to comment on any item on the agenda may speak during public comment or submit comments by emailing publiccomment@sgmh.org on or before 5:00 PM on Monday, May 30, 2022, which will become part of the committee meeting record.

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** E. Ngo
 - April 26, 2022, regular meeting A

NEW BUSINESS

- IV. *** Proposed Action – Recommend approval to Hospital Board** D. Heckathorne B
 - **Annual Insurance Renewals**
 - **Professional and General Liability Programs**
 - **Property and Casualty Programs**
 - **ROLL CALL**

- V. *** Proposed Action – Recommend approval to Hospital Board** D. Heckathorne C
 - **April 2022 Financial Report (Unaudited)**
 - **ROLL CALL**

VI. Future Agenda Items

VII. Next Meeting – June 28, 2022

VIII. Adjournment E. Ngo

*** 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 May 27, 2022, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Hospital - Finance Committee, and on the San Gorgonio Memorial Hospital website said time being at least 72 hours in advance of the regular meeting of the Finance Committee (*Government Code Section 54954.2*).

Executed at Banning, California, on May 27, 2022

Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
Tuesday, April 26, 2022

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, April 26, 2022. To prevent the spread of COVID-19 (coronavirus), and in accordance with the Governor’s Executive Order N-29-20, there was no public location for attending this committee meeting in person. Committee members, staff members, and members of the public participated telephonically.

Members Present: Ehren Ngo (Chair), Ron Rader, Steve Rutledge, Siri Welch

Members Absent: Susan DiBiasi

Required Staff: Steve Barron (CEO), Pat Brown (CNO/COO), Daniel Heckathorne (CFO), Ariel Whitley (Executive Assistant), Margaret Kammer (Controller), Angela Brady (ED Director)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Chair Ngo called the meeting to order at 9:03 am.	
Public Comment	Members of the public who wished to comment on any item on the agenda were encouraged to submit comments by emailing publiccomment@sgmh.org prior to this meeting. No public comment emails were received.	
OLD BUSINESS		
Proposed Action - Approve Minutes March 29, 2022, regular meeting	Chair Ngo asked for any changes or corrections to the minutes of the March 29, 2022, regular meeting. There were none.	The minutes of the March 29, 2022, regular meeting will stand correct as presented.
NEW BUSINESS		

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<p>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – March 2022</p>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited March 2022 finance report as included in the board packets.</p> <p>Mr. Heckathorne reported that March had \$310K positive EBIDA compared to budgeted EBIDA loss of \$990K. The average census dropped below previous norms; however, surgery cases continue to stay high at 142 plus 38 G.I procedures. A YTD reconciliation and adjustment was made to increase Gross Patient Revenues and Deductions from Revenues by \$1.712M each. We received a \$336K QAF Quarterly grant, \$761K HQAF Supplemental Funding, along with a third-party settlement of \$458K, and a \$136K reduction in recording of previous accruals. Overall Expenses were \$79K over budget, with all of the above items resulting in the favorable EBIDA outcome for the month.</p> <p>It was noted that approval is recommended to the Hospital Board.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="394 951 1219 1066"> <tr> <td>DiBiasi</td> <td>Absent</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Absent	Ngo	Yes	Rader	Yes	Rutledge	Yes	Welch	Yes	Motion carried.		<p>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of the Unaudited March 2022 Financial report to the Hospital Board of Directors.</p>
DiBiasi	Absent	Ngo	Yes											
Rader	Yes	Rutledge	Yes											
Welch	Yes	Motion carried.												
<p>Future Agenda Items</p>	<p>None.</p>													
<p>Next Meeting</p>	<p>The next regular Finance Committee meeting will be held on May 31, 2022.</p>													
<p>Adjournment</p>	<p>The meeting was adjourned 10:21 am.</p>													

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

Minutes respectfully submitted by Ariel Whitley, Executive Assistant

TAB B

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

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

Agenda Items for May 31, 2022 and June 7, 2022 Meetings

Subject:

Annual Insurance Renewals:

A) Professional and General Liability Programs

- 1) Professional and General Liability
- 2) Directors and Officers Liability
- 3) Employment Practices Liability
- 4) Auto Liability
- 5) Workers' Compensation

B) Property and Casualty Programs

- 1) All Risk Property Coverage including Business Interruption Coverage
- 2) Boiler and Machinery
- 3) Pollution
- 4) Cyber
- 5) Crime
- 6) Fiduciary Liability
- 7) Underground Storage Tanks (Pollution)
- 8) Deadly Weapon Response
- 9) Earthquake, Flood, and Excess Cyber Limits (Optional – Waiting for quotations)

Professional and General Liability Program – The District's broker is Jim Sprague, Vice President of James+Gable Insurance Brokers. Jim and his team work on the District's behalf with the BETA Healthcare Group, a Risk Management Authority Public Agency. SGMHCD has been insured with BETA for many years, and has benefitted from competitive premiums, comprehensive coverages, and excellent customer service from a firm which specializes in District, Public Agency, and Non-Profit Healthcare providers.

BETA has an extensive Quality Improvement and Performance program which is customized especially for Hospitals, and the favorable results of such programs have resulted in the overall competitive and comprehensive product. Their Workers' Compensation program is specifically designed for hospital workers and has an excellent overall track record in this arena.

The renewal premiums are provided an attachment.

2022 Insurance Renewals

Executive Summary

Line of Coverage	Carrier	Policy Term	Limits	Deductible	2021-2022 Expiring	2022-2023 Budget	2022-2023 Renewals	
Professional Liability & General Liability	BETA	7/1/22 - 7/1/23	\$20M/\$30M	\$25K	\$1,051,171	\$1,105,000	\$1,104,332	
Directors & Officers Liability	BETA	7/1/22 - 7/1/23	\$10M	\$50K	\$136,898	\$145,000	\$143,743	
Employment Practices Liability	BETA	7/1/22 - 7/1/23	\$10M	\$100K	Incl w/ D&O	Incl w/ D&O	Incl w/ D&O	
Auto Liability	BETA	7/1/22 - 7/1/23	\$20M	\$250/\$500	\$56,046	\$60,000	\$56,587	
Workers' Compensation	BETA	7/1/22 - 7/1/23	Statutory	\$0	\$540,962	\$615,000	\$593,441	
Insured Entities					Total Gross Premium	\$1,785,077	\$1,925,000	\$1,898,103
San Gorgonio Memorial Hospital					Performance Dividend	-\$52,331	-\$48,667	-\$50,281
San Gorgonio Memorial Hospital Foundation					Multi-Line Dividend	-\$87,082	-\$65,311	-\$90,515
San Gorgonio Memorial Healthcare District					Total Net Premium	\$1,645,664	\$1,811,022	\$1,757,307

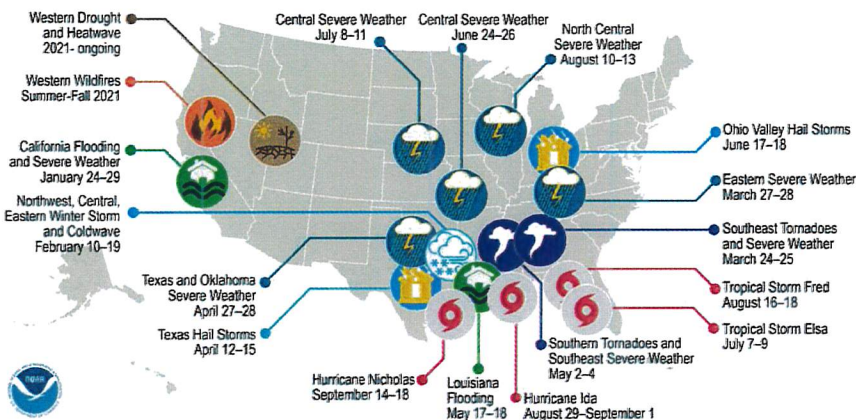
NOTES

- Insurance industry update including MICRA
- BETA Healthcare Group update:
 - All Member Rates: Minimum rate increase of 2% on PL/GL, 5% on D&O/EPL, and 5% on Auto; -2% is best on WC
 - All Member Dividends: Dividends decreasing on average of 3% for PL/GL, 7% for WC, and 25% for multi-line

Overview of the Property Market

- **CAT Losses** -- Key market driver continues to be Cat losses across the US. Impacting insureds even if no losses. This includes Wildfire, Flooding and Convective Storm (wind/hail) prone areas. Wind/Hail exposed risks now viewed by underwriters as a greater risk than hurricane/coastal/named storm.
- **Risk Evaluation** -- Carriers carefully scrutinizing risk – including reviewing TIV to ensure valuations are adequate.
- **Reduced Capacity** -- Capacity has been reduced for many accounts with convective exposure with many carriers now exiting the market completely.
- **Reduced Limits** -- Standard carriers continue to reduce their capacity by not offering large ground up limits, forcing brokers to build capacity through multiple carriers. Corporate mandates and insurance treaties limit the ability for many carriers to write difficult exposures. Limitations such as aggregates for these coverages – maxing out amount payable in any one year.
- **Rate Increases** -- Rates up significantly over the last 18-24 months. Double digit rates for 8 consecutive quarters as of Q2 of 2021. Market now showing signs that it is stabilizing with recent projections significantly down going into Q4.
- **Exclusions** -- Exclusions included across all markets for COVID and Cyber.

U.S. 2021 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the 18 separate billion-dollar weather and climate disasters that impacted the United States January-September 2021



Impact of Inflation

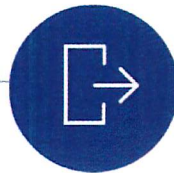


- Values Reporting and Trending
- Higher than average trend factors
 - Marshall & Swift:
 - 19.72% Real Property
 - 14.17% Contents
 - RS Means: Approx. 15%
 - FM Global: 5.0%
 - Carriers taking varying positions
- Why? Labor shortages, material costs, supply chain interruption
- Possible Solution -- Establishing a process & Getting carrier support on an agreed upon inflation factor early

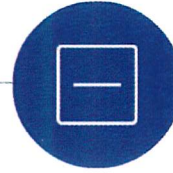
Hard Market Continues

We are in an environment of
RATE ESCALATION

Cyber Liability Market Trends Q4 2021



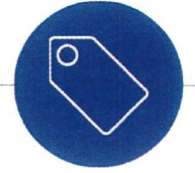
Few markets are entertaining new business and insurers are re-underwriting their books of business, shedding accounts with poor controls, and actively deleveraging their books of business.



Significant capacity has withdrawn from this segment. Total market capacity is approximately \$400M. Underwriters, in some instances, are reducing limits from \$10M to \$5M or less.



Underwriters are examining internal controls. Focus on MFA, Remote Desk Top Protocol Lockdown, and Security Patches. Underwriters are limiting exposure to systemic risks (Solar Winds, Microsoft Exchange) by capping limits on contingent business income.



Rate strengthening is continuing to accelerate. Risks with strong internal controls can expect rate increases of 60-70%. Those with poor controls can expect rate increases of more than 100%, or may be uninsurable.

Underlying Causes of Cyber Liability "Crisis"

Criminals have taken advantage of the rush to remote working.

Business Email incidents are up 51% over same period from 2020



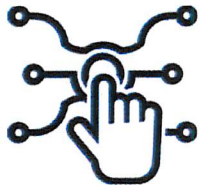
Funds Transfer Fraud incidents are up 28% over same period from 2020



Ransomware incidents are growing in frequency and severity. Average ransom now \$1.1M. Frequency is up 170%.



Average amount of funds stolen has increased 179% over same period from 2020.



The "rush" to accommodate a remote workforce has created new vulnerabilities for CIOs.



Criminals have exploited operational processes due to COVID 19



Fiduciary Liability & Crime

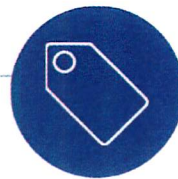
Market Trends Q3 2021

Rates Moderating

Underwriters continue to seek modest increases



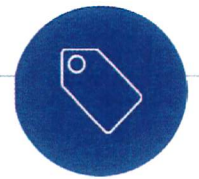
For Fiduciary Liability, excessive fee litigation remains a challenge. These claims are evolving to include allegations of reduced benefits due to use of allegedly inappropriate mortality tables, as well as COBRA deficiencies.



For Fiduciary Liability, underwriters now scrutinizing commercial risks with assets greater than \$500M. For smaller plans, expect rate increases between +20% to +40%. Larger plans can expect rate increases between +20% to +50% depending upon assets.



For Crime, computer fraud and "social engineering" remain significant exposures. These coverages are sub-limited in the Crime policy.



Rates are expected to increase modestly between +20% to +50% depending upon company size, industry and internal controls.



San Gorgonio Memorial Hospital 2022-2023 Premium Projections as of May 2022

TYPE OF COVERAGE	TERM	CARRIER	POLICY NUMBER	LIMITS	DEDUCTIBLE/SELF-INSURED RETENTION	21-22 PREMIUM	22-23 PROJECTIONS
APIP – All Risk Property Program	7/1/21 – 7/1/22	Various Companies	APIP2021 (Dec 08) (APIP2122)	\$250,000,000 All Perils Per Occurrence Exclude Earthquake and Flood Various Sub-limits apply	\$10,000 Property Deductible All Risk	Premium: \$197,855.83 Rate: 0.1049684 TIV: \$188,490,766	Premium: \$239,933 Rate: 0.120714 TIV: \$198,762,071 (Not to Exceed)
APIP – Boiler & Machinery	7/1/21 – 7/1/22	Various Companies	APIP2021 (Dec 08) (APIP2122)	\$100,000,000 Boiler Explosion and Machinery Breakdown as respects Combined Property Damage and Business Interruption/ Extra Expense. Various Sub-limits apply	\$10,000	Included in Property above	
APIP – Pollution	7/1/21 – 7/1/22	Ironshore Specialty Insurance Company	ISPILLSCAZ 08001	\$25,000,000 Policy Program Aggregate \$2,000,000 Per Pollution Incident \$2,000,000 Per Named Insured Aggregate \$2,000,000 Per JPA/Pool Aggregate Various Sub-limits apply	\$50,000 Each Pollution Incident After July 1, 2021 \$500,000 Each Pollution Incident Prior to July 1, 2021 3 Days Business Interruption Waiting Period	Included in Property above	
APIP – Cyber	7/1/21 – 7/1/22	Lloyd's of London – Beazley Syndicate Crum & Forster Specialty Ins. Co. Liberty Surplus Ins. Corp.	FN2105500	\$40,000,000 Annual Policy and Program Aggregate Limit of Liability for all Members combined \$2,000,000 Annual Aggregate Limit of Liability for each Member Various Sub-limits apply	\$50,000 Per Claim for each Member/Insured with TIV up to \$250,000,000 at the time of policy inception 8 Hour waiting period for Dependent / Business Interruption Loss	Included in Property above	

San Gorgonio Memorial Hospital 2022-2023 Premium Projections as of May 2022

TYPE OF COVERAGE	TERM	CARRIER	POLICY NUMBER	LIMITS	DEDUCTIBLE/SELF-INSURED RETENTION	21-22 PREMIUM	22-23 PROJECTIONS
Crime - ACIP	7/1/21 – 7/1/22	National Union Fire Insurance Company of Pittsburgh, PA (AIG)	14249761	\$5,000,000 for the following coverages: <ul style="list-style-type: none"> • Employee Theft Including Faithful Performance Of Duty • Forgery Or Alteration • Inside Premises Theft Of Money And Securities • Inside Premises Robbery And Safe Burglary Other Property • Outside The Premises • Computer Fraud • Funds Transfer Fraud • Money Orders And Counterfeit Paper Currency 	\$25,000	\$10,073.00	\$10,304 (Actual)
Fiduciary Liability - FLIP Pending or Prior Date: December 1, 2007	1/18/22 – 1/18/23	Hudson Ins. Co.	SFD3121124 0-03	\$1,000,000 Aggregate Limit for all Loss, including Claim Expenses \$1,000,000 HIPAA and HITECH Fines and Penalties Sublimit Various Sublimits apply	\$15,000 Each Claim	\$4,281.00	\$4,944.00 (Actual)
Pollution Liability – UST	3/1/22– 3/1/23	ACE American Ins. Co.	G2469706A 012	\$1,000,000 Per Storage Tank Incident Limit \$2,000,000 Aggregate Limit \$1,000,000 Aggregate Legal Defense Expense Limit \$3,000,000 Total Policy Aggregate Limit of Liability \$1,000,000 Aboveground Storage Tank Aggregate Sublimit \$1,000,000 Underground Storage Tank Aggregate Sublimit	\$5,000 Per Storage Tank Incident	\$838.00	\$918.00 (Actual)

San Gorgonio Memorial Hospital 2022-2023 Premium Projections as of May 2022

TYPE OF COVERAGE	TERM	CARRIER	POLICY NUMBER	LIMITS	DEDUCTIBLE/SELF-INSURED RETENTION	21-22 PREMIUM	22-23 PROJECTIONS
Deadly Weapon Response Program (ADWRP)	7/1/21 – 7/1/22	Underwriters at Lloyd's of London	PJ210005001 11	\$500,000 Per Occurrence \$500,000 Annual Aggregate Various Sublimits apply	\$10,000 Each Event including Claims Expenses	\$5,438.18	\$5,500 (Not to Exceed)

This document is an estimate only used to assist in the budget process and does not represent a bindable offer of coverage. Premiums may change based on a variety of factors including the state of the insurance market, changes in exposure, losses, carrier appetite, etc.

TAB C



SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA

Unaudited Financial Statements

for

TEN MONTHS ENDING APRIL 30, 2022

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.

Certified by:

Daniel R. Heckathorne

Daniel R. Heckathorne

CFO

San Gorgonio Memorial Hospital

Financial Report - Executive Summary

For the Month of April 30, 2022 and Ten Months Ended April 30, 2022 (Unaudited)

Profit/Loss (EBIDA) Summary (MTD) Negative and (YTD) Negative (see YTD Note)

The month of April had \$1.1M negative Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted EBIDA loss of \$1.24M.

YTD – There was a \$3.9M loss in Earnings before Interest, Depreciation and Amortization (EBIDA) compared to a budgeted loss of \$6.49M (adjusted to \$5.59M to remove \$895K IGT Expense booked in 2021).

Month – Adjustments/unusual items: The April average census remained at March's levels, but surgery cases continued to stay high at 150 plus 16 G.I. procedures. Other April adjustments included:

- (Other Income): \$236K AB 915 Supplemental Funding for the 2021 M-Cal O/P cost report.

April's inpatient average daily census was 20.3 compared to 20.7 in March, also down from 29.5 in February and 42.1 in January. Adjusted Patient Days were 19.5% under budget (1,731 vs. 2,151) and Patient Days were 46% below budget (608 vs. 1,121). Emergency Visits were 8.6% over budget (3,195 vs. 2,941), and overall Surgeries were significantly over budget by 63% (150 vs. 92).

YTD – Overall workloads are as follows: Adjusted Patient Days = 20,077 vs. 22,009 budgeted (-8.8%); Patient Days = 8,429 vs. 10,793 budgeted (-22%); Emergency Visits = 32,393 vs. 31,396 (+3.2%), and Surgeries were 1,140 vs. 900 (+27%). EBIDA results are now \$2.58M better than the unadjusted EBIDA target of -\$6.49M for the first 10 months of the year. Overall Operating Revenues are \$2.9M better than budget, while Operating Expenses were \$314K under budget.

Patient Revenues (MTD) Positive (YTD) Positive

Month - The Net Patient Revenue in April continues to reflect improved A/R collections ratios, higher than expected payments on some long-term patient stays, and managed care rate increases estimated at \$199K for the month. These resulted in a favorable \$1.14M outcome.

YTD – Net Patient Revenue through April was \$52.6M compared to the budgeted \$51.0M. Of note, the increase in managed care contracted revenue since September is estimated at \$1.58M.

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

Month – Operating Revenue in April was \$1.2M over budget. This was impacted by the key variances in Net Patient Revenues and Other Income described above.

YTD – Operating Revenue was \$2.9M over budget, impacted by the Net Patient Revenues being \$1.6M over budget and the Non-Patient Revenues were \$1.3M over budget.

Operating Expenses (MTD) Negative & (YTD) Negative

Month - Operating Expenses in April were \$8.1M and were over budget by \$1.1M. Notable items impacting the budget were as follows: 1) Salaries were \$102K under budget due to lower than expected patient volumes, although this was somewhat offset by Contract Labor costs being \$176K over budget; 2) Benefits were 13% (\$114K) over budget, which in addition to the 5% run rate variance above budget, there was also a quarterly unemployment benefits cost of \$44K; 3) Physician Fees were \$157K over budget impacted by Anesthesia fees (\$28K), Med Surg (\$24K) and Residency costs (\$65K). The Residency costs are anticipated to be recovered in the year-end Medicare cost report filing; 4) Purchased Service costs were \$98K over budget, of which Legal fees were \$108K over budget, with favorable offsets in other departments; 5) Supplies were over budget by \$626K, including a \$355K variance in Surgical supplies, \$122K variance in Lab supplies, \$82K variance in pharmaceutical costs, and a \$33K variance in Blood supplies. April was the first month for use of the robotics surgery equipment, and this impacted the costs in that department; 5) Repairs and Maintenance costs were \$127K over budget, and were largely impacted by annual generator load bank tests, fuel oil sampling & filtering, underground fuel tank service, sprinkler testing, along with semi-annual fire alarm battery tests and replacements,

plus numerous quarterly tests of sprinklers, kitchen hood, cooling towers, and boiler emissions, and repairs to three A/C units; and 6) Other Expenses were \$118K below budget. We continue to take a conservative approach on all costs including dues and subscriptions, outside travel, and education costs.

YTD – Variances include: 1) Salaries were \$970K under budget while Contract Labor was over budget by \$451K due to shortage of nurses and the covid surge; 2) Benefits were \$495K (5.9%) over budget; 3) Purchased Services were \$368K over budget which includes Allscripts/Navigant \$645K variance to budget based on overall collection performance, offset by favorable variances in Administration (\$147K) and I/T (\$120K); 4) Supplies were over budget by \$1.87M, largely due to the covid surges and much higher Surgery volumes than budgeted. Some of the major variances over budget include Surgery (\$671K), Lab (\$712K), Pharmaceuticals (\$482K), Emergency (\$115K), Blood (\$113K), and ICU and Med Surg (\$240K). These were offset by several other departments whose supply costs were below budget; 5) Utilities are over budget by \$234K (21%) – it appears that the warmer than usual summer and the cooler than usual winter are having an impact on these costs; 6) Repairs were over budget by \$193K, which included accelerated repairs made on emergency doors and negative pressure rooms and all of the testing/repairs referred to in the April monthly comment; 7) Other Expenses were \$1.08M below budget as generally everyone is taking a conservative approach toward many projects during this year, including dues and subscriptions, outside education, and travel (combined \$315K), along with other expenditures which have been delayed; 8) IGT Expense was under budget by \$895K due to those costs being included in the previous year's audited statements; and 9) Leases and Rentals were \$550K below budget, of which \$478K was impacted by the exclusion of leasing telemetry monitors along with the delay in the surgical robotics lease, and Respiratory Therapy rentals are \$115K less than expected.

Balance Sheet/Cash Flow

Patient cash collections in April set a third consecutive monthly record at \$7.0M, compared to March's \$6.7M and February's \$6.68M. The Gross A/R Days increased from 65.6 in March to 70.5 in April, although the Net A/R Days decreased. This increase in Gross Days was impacted by the low revenues in April, along with about \$4.6M holding in the Gross A/R due to complications surrounding implementation of the new California AB1020 rule which changed the "150 day" self-pay billing process to a mandated "180 day" billing process. (This matter is expected to clear in May.)

Cash balances increased in April to \$8.4M compared to \$4.35M in March, which was good. Conversely, the Accounts Payable increased by \$1.9M of \$1.35M from March to April. The line of credit balance was able to be maintained at \$6M at the end of the April (as it was in March and February). The second phase of the QIP loan for \$1.102M was also received in April and recorded as a Long-Term Liability. Finally, there was an increase in Construction in Progress of \$1.2M related to payments made on the Siemens energy project and the Stroke Center project.

Concluding Summary

Positive takeaways:

- 1) Total Surgeries were over budget, again by over 50% as in the previous two months;
- 2) Cash collections for patient services was very strong.
- 3) Net Patient Revenue has been trending strong for several months.

Negative takeaways:

- 1) Supply expenses continue to be the biggest challenge.

Dashboard Items and New Report:

As of February, 2022 two new dashboards were added to the Financial Reports. The first compares Net Patient Revenues to overall Labor costs and illustrates that Net Revenues just slightly exceed the cost of Labor. The second new dashboard illustrates the "normalization" of the larger Supplemental fundings received during the year. Finally, the Month-to Month Statement of Revenue and Expense will continue to be a part of the packet.

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.

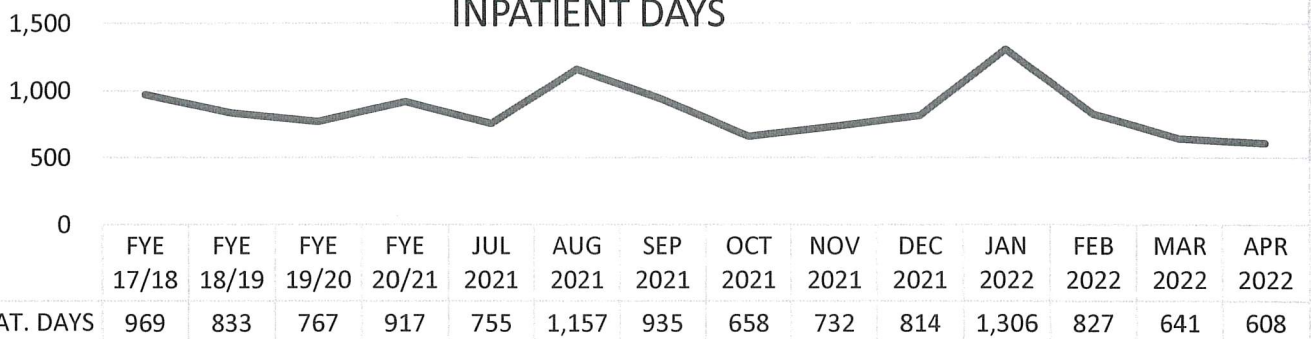
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SAN GORGONIO MEMORIAL HOSPITAL

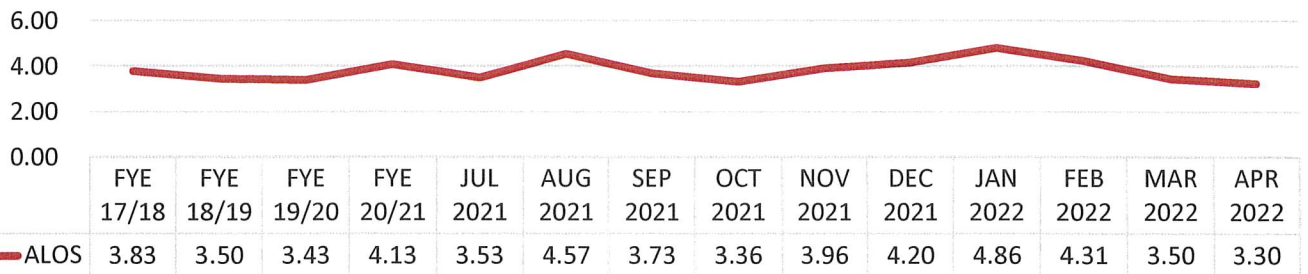
INPATIENT DISCHARGES



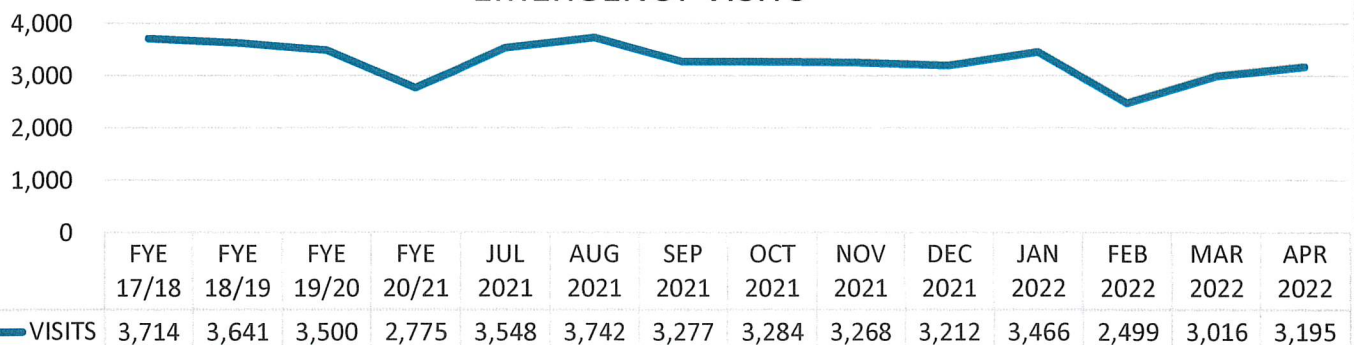
INPATIENT DAYS



AVERAGE LENGTH OF STAY



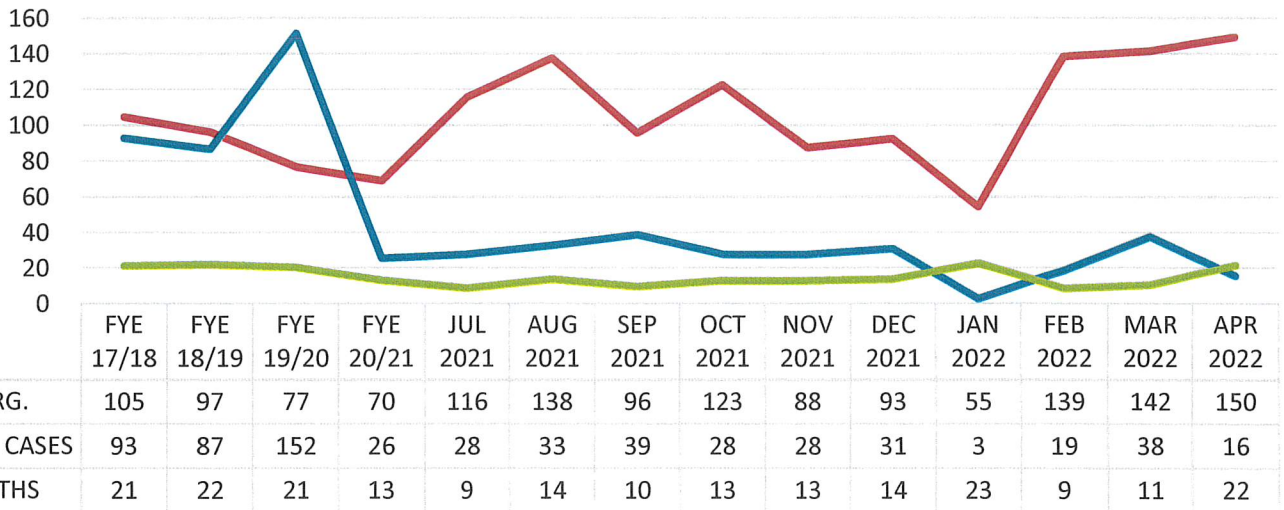
EMERGENCY VISITS



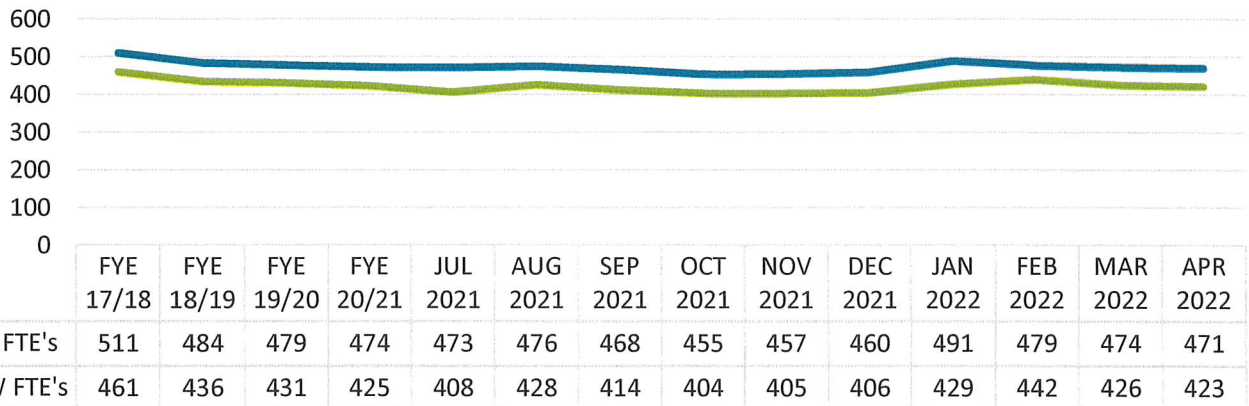
3-B

SAN GORGONIO MEMORIAL HOSPITAL

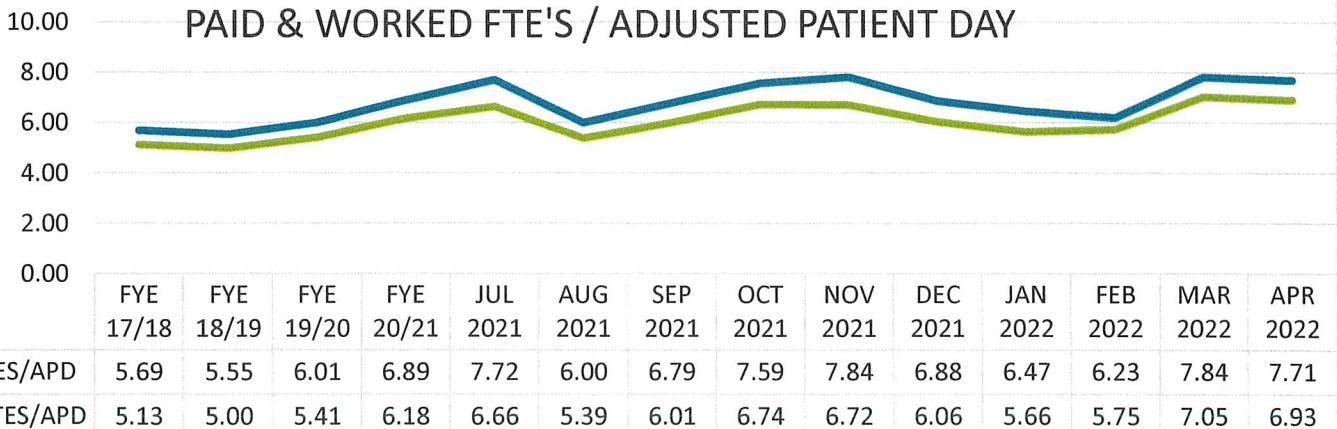
SURGERY CASES, G.I. CASES, N/B DELIVERIES



PAID & WORKED FTE'S



PAID & WORKED FTE'S / ADJUSTED PATIENT DAY



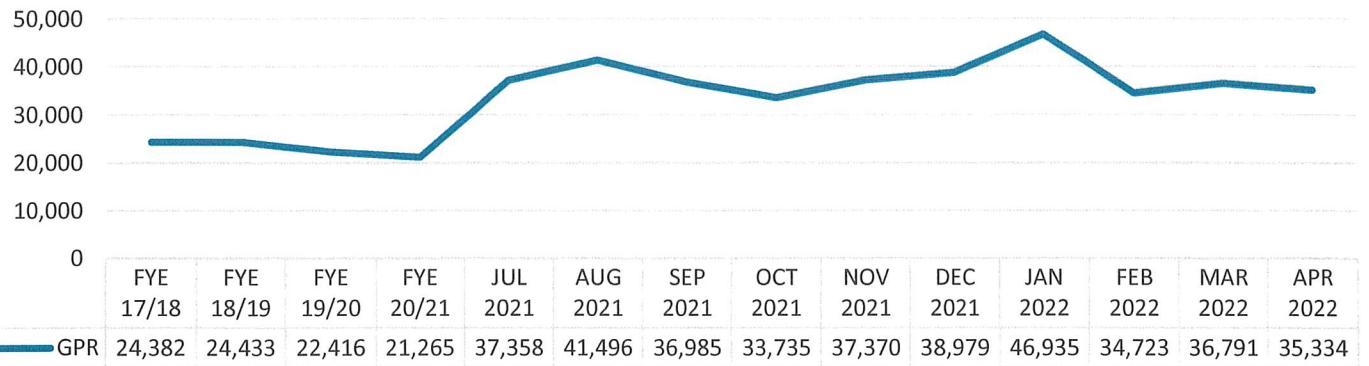
3-C

INCOME STATEMENT

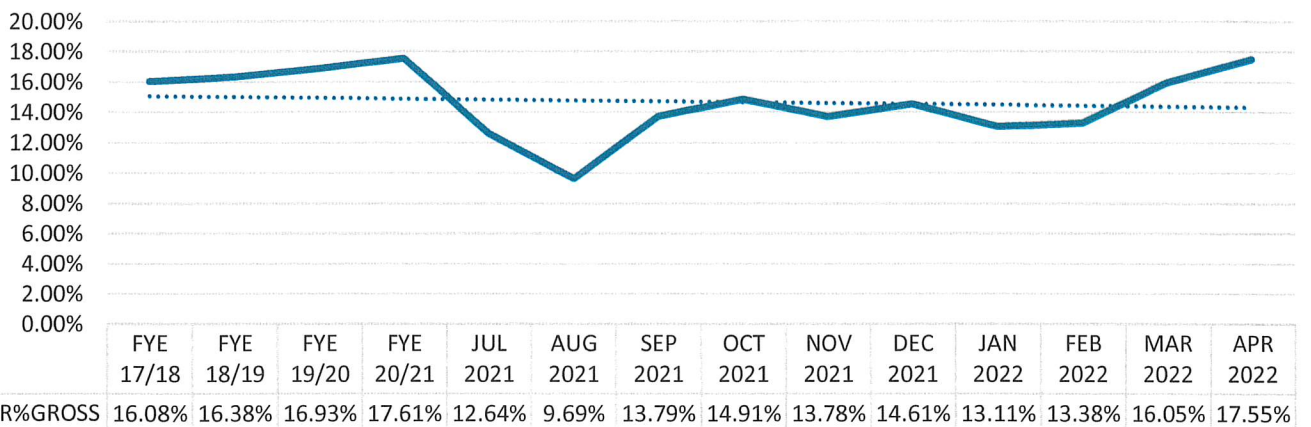
Gross Patient Revenue (000's) (Monthly Ave.)	Represents total charges (before discounts and allowances) made for all patient services provided.
Net Patient Revenue (NPR) (000's) (Monthly Ave.)	Equals the sum of all (patient) charges for services provided that are due to the hospital, less estimated adjustments 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 (new in February, 2022)	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) (new in February, 2022)	This graph illustrates the "normalization" of Operating Revenues and EBIDA, by reallocating the Rate Range Income booked in December, 2021 over the all 6 months of the FYE December 31, 2021.

SAN GORGONIO MEMORIAL HOSPITAL

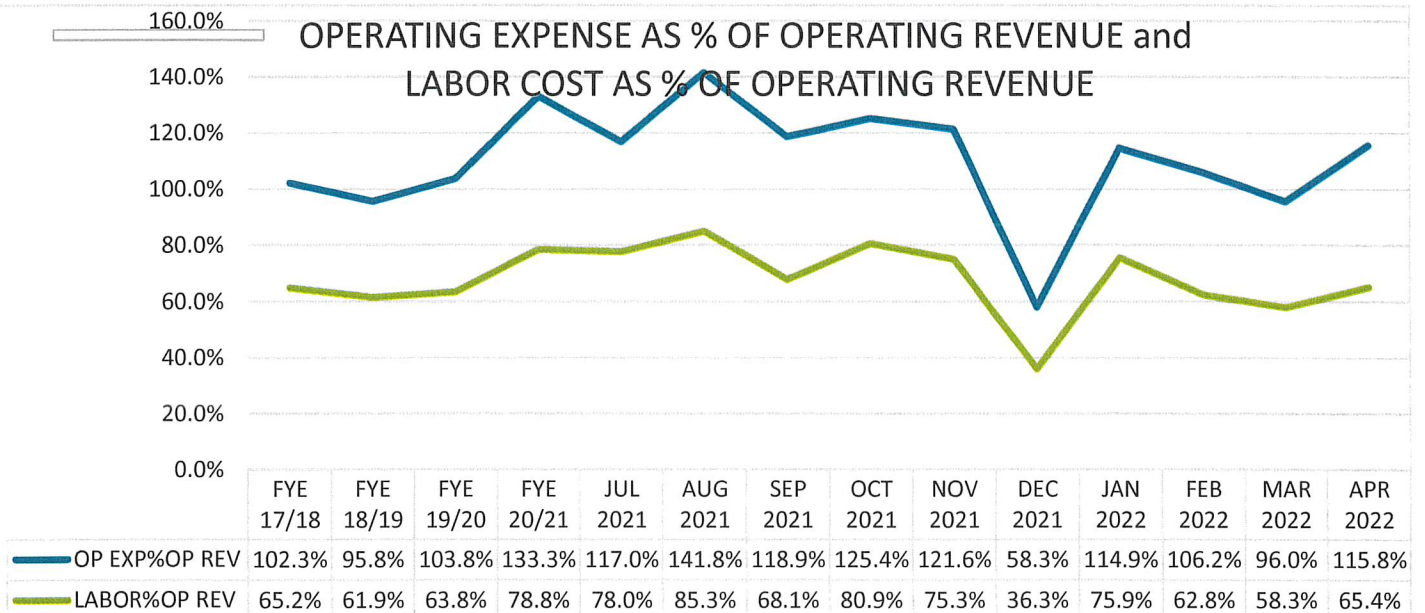
GROSS PATIENT REVENUE



NET PATIENT REVENUE AS % OF GROSS



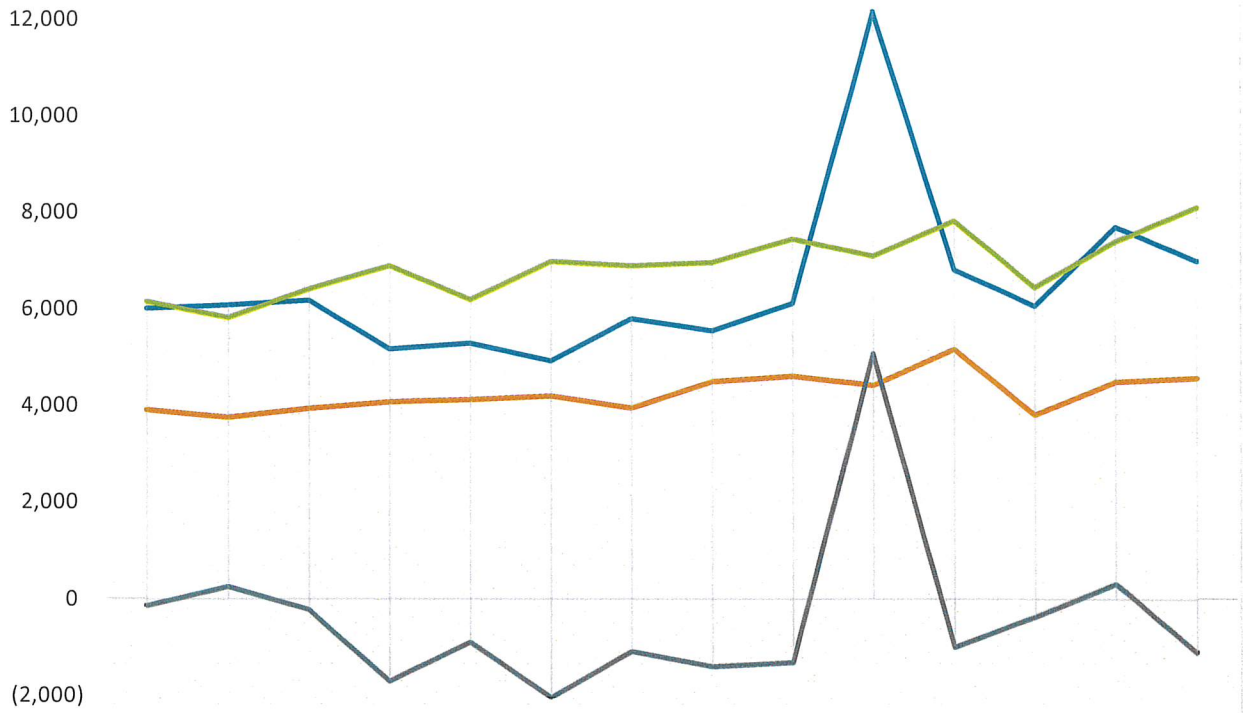
OPERATING EXPENSE AS % OF OPERATING REVENUE and LABOR COST AS % OF OPERATING REVENUE



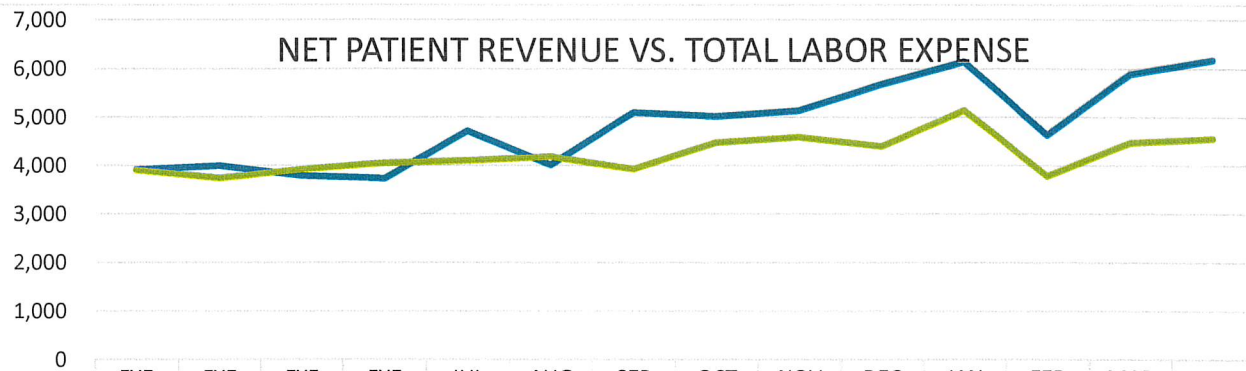
3-E

SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE, OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021	JAN 2022	FEB 2022	MAR 2022	APR 2022
OP REV	6,006	6,069	6,165	5,160	5,275	4,914	5,787	5,541	6,107	12,147	6,796	6,054	7,693	6,990
OP EXP	6,147	5,817	6,398	6,878	6,175	6,969	6,880	6,947	7,429	7,079	7,808	6,428	7,383	8,097
STAFF EXP	3,915	3,755	3,932	4,065	4,115	4,194	3,939	4,484	4,601	4,405	5,160	3,799	4,483	4,575
EBIDA	(141)	252	(233)	(1,719)	(899)	(2,055)	(1,093)	(1,406)	(1,321)	5,068	(1,012)	(374)	310	(1,107)

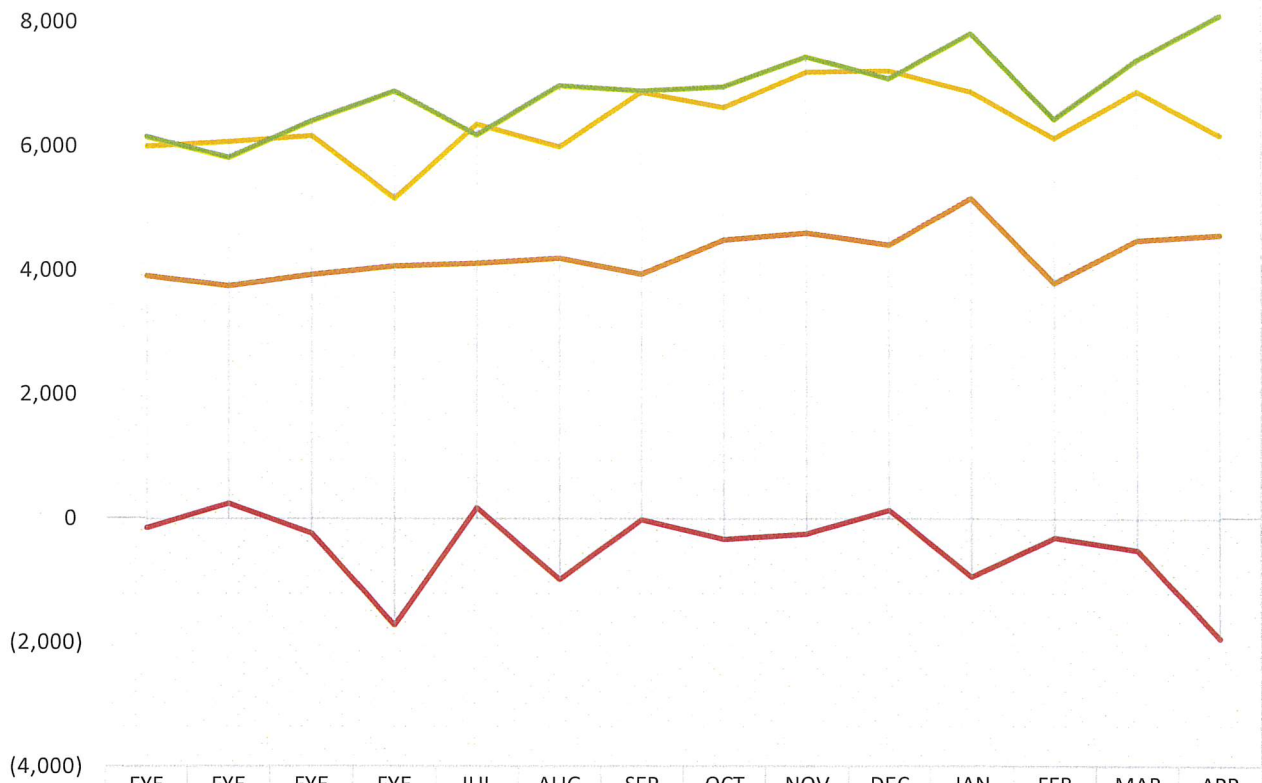


	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021	JAN 2022	FEB 2022	MAR 2022	APR 2022
NET PAT REV	3,921	4,003	3,795	3,744	4,722	4,019	5,100	5,031	5,149	5,695	6,155	4,644	5,905	6,202
LABOR EXP	3,915	3,755	3,932	4,065	4,115	4,194	3,939	4,484	4,601	4,405	5,160	3,799	4,483	4,575

3-F

SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE (NORMALIZED), OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA (NORMALIZED)



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021	JAN 2022	FEB 2022	MAR 2022	APR 2022
REV NORMAL	6,006	6,069	6,165	5,160	6,351	5,990	6,863	6,617	7,183	7,211	6,870	6,128	6,878	6,175
OP EXP	6,147	5,817	6,398	6,878	6,175	6,969	6,880	6,947	7,429	7,079	7,808	6,428	7,383	8,097
LABOR EXP	3,915	3,755	3,932	4,065	4,115	4,194	3,939	4,484	4,601	4,405	5,160	3,799	4,483	4,575
EBIDA NORMAL	(141)	252	(233)	(1,719)	177	(979)	(17)	(330)	(245)	132	(938)	(300)	(505)	(1,922)

3-G

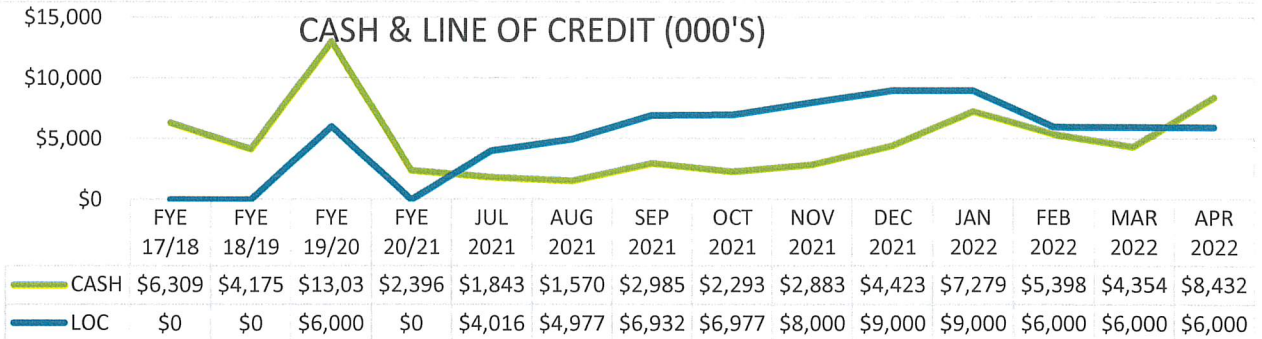
BALANCE SHEET (Period End)

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.

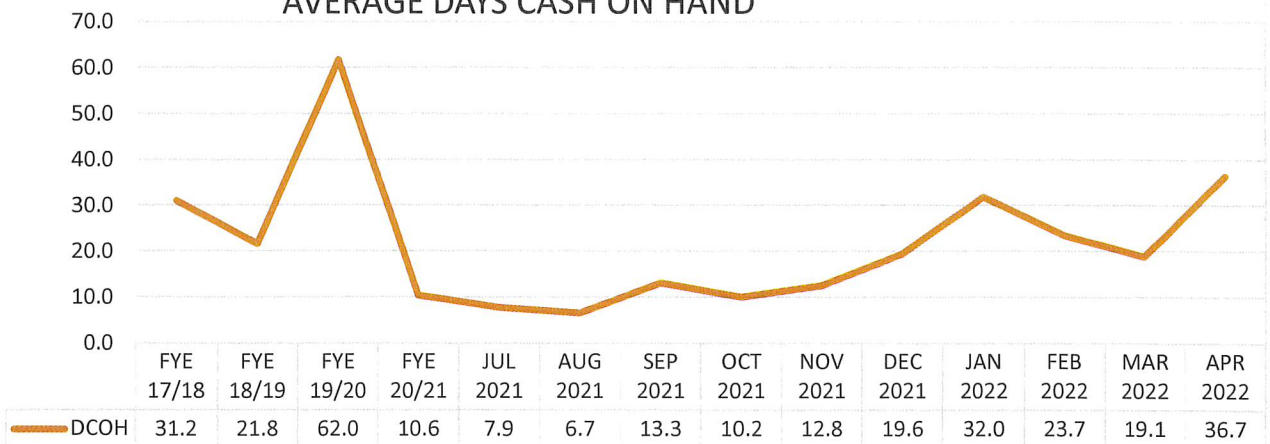
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SAN GORGONIO MEMORIAL HOSPITAL

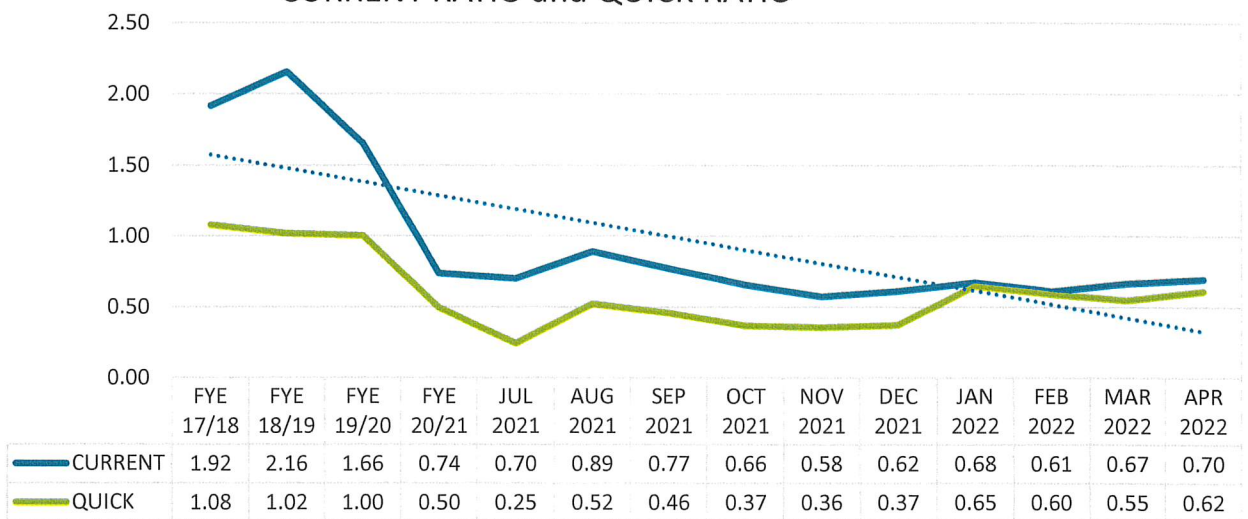
CASH & LINE OF CREDIT (000'S)



AVERAGE DAYS CASH ON HAND



CURRENT RATIO and QUICK RATIO



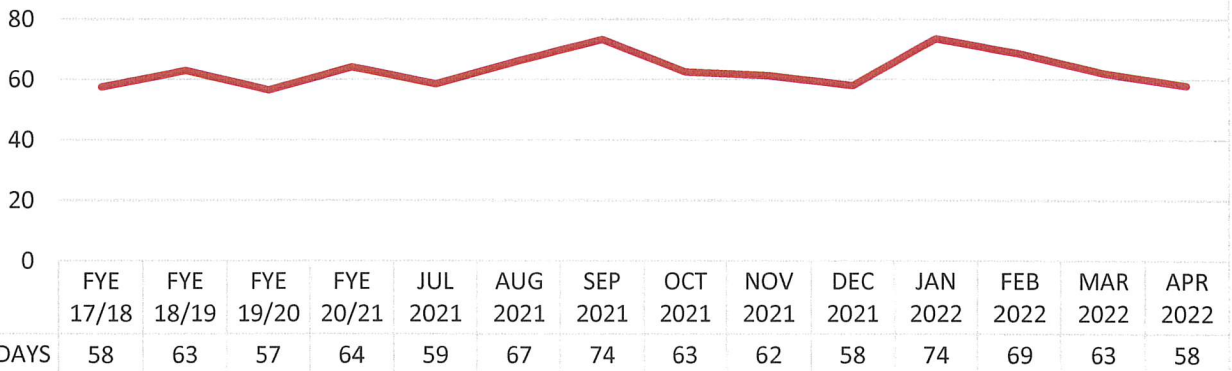
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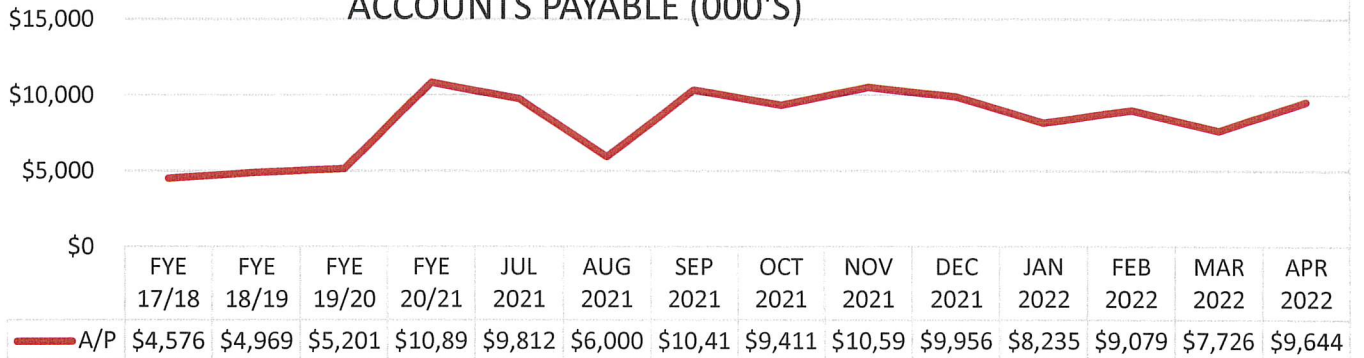
NET ACCOUNTS RECEIVABLE (000'S)



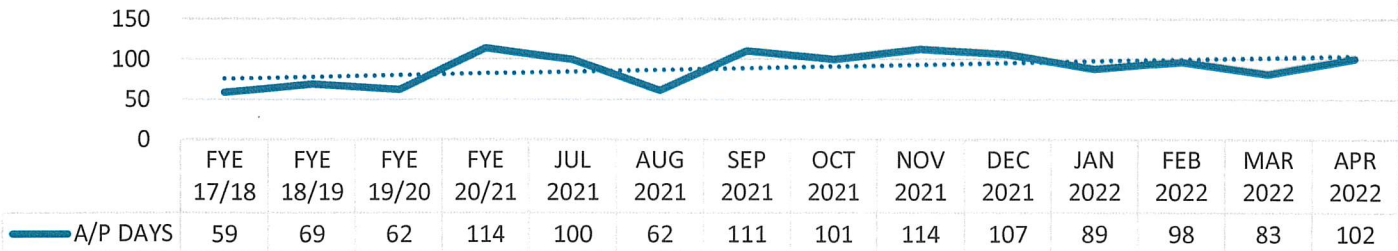
AVE. DAYS OF COLLECTIONS IN NET A/R



ACCOUNTS PAYABLE (000'S)



AVERAGE DAYS IN ACCOUNTS PAYABLE



3-K

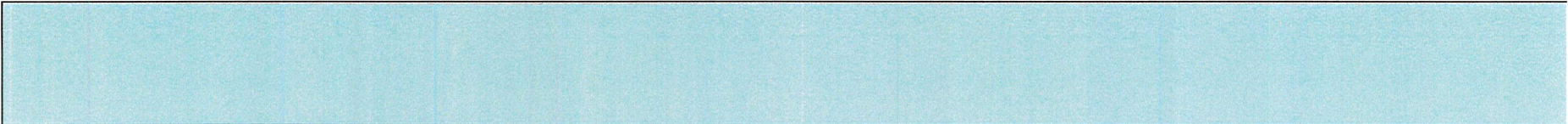
SAN GORGONIO MEMORIAL HOSPITAL
EXECUTIVE FINANCIAL SUMMARY
TEN MONTHS ENDING APRIL 30, 2022

STATEMENT OF REVENUE AND EXPENSES - MONTH & YTD						
REF LINE#		04/30/22 ACTUAL	04/30/22 BUDGET	YTD ACTUAL	YTD BUDGET	YTD DIFFERENCE
	Revenue:					
[1]	Gross Patient Revenues	\$ 35,334,409	\$ 41,478,427	\$ 379,706,241	\$ 422,626,424	\$ (42,920,183)
[2]	Deductions From Revenue	(29,132,464)	(36,420,891)	(327,081,945)	(371,575,610)	44,493,665
[3]	Net Patient Revenues	6,201,945	5,057,536	52,624,296	51,050,814	1,573,482
[4]	IGT Revenue	-	-	6,016,888	6,282,227	(265,339)
[5]	Other Operating Revenue	788,312	706,441	8,655,821	7,064,410	1,591,411
[6]	Total Operating Revenues	6,990,257	5,763,977	67,297,005	64,397,452	2,899,553
	Expenses:					
[7]	Salaries, Benefits	4,329,892	4,318,095	42,637,869	43,112,078	474,208
	Contract Labor	244,817	68,630	1,124,449	673,204	(451,245)
	Physicians Fees	497,575	340,810	3,451,823	3,385,258	(66,565)
	Other Purchase Services	966,521	868,853	9,051,222	8,682,948	(368,275)
[8]	Purchased Serv. & Physician Fees	1,708,913	1,278,292	13,627,494	12,741,410	(886,084)
[9]	Supply Expenses	1,455,590	829,096	10,188,963	8,317,224	(1,871,739)
[10]	Other Operating Expenses & Clinic Loss	602,752	581,348	4,746,832	5,821,547	1,074,715
[11]	Supplimental and Grant Expense	-	-	-	895,056	895,056
[12]	Total Expenses	\$ 8,097,148	\$ 7,006,832	\$ 71,201,158	\$ 70,887,315	\$ (313,843)
[13]	EBIDA	\$ (1,106,891)	\$ (1,242,854)	\$ (3,904,153)	\$ (6,489,863)	\$ 2,585,710
[14]	Depreciation & Interest Expense	879,290	966,945	9,136,099	9,281,346	145,248
[15]	Non-Operating Revenue/(Exp.)	797,260	741,667	6,563,573	7,416,667	(853,094)
[16]	TOTAL NET SURPLUS (LOSS)	\$ (1,188,921)	\$ (1,468,133)	\$ (6,476,678)	\$ (8,354,543)	\$ 1,877,864

SAN GORGONIO MEMORIAL HOSPITAL
EXECUTIVE FINANCIAL SUMMARY
TEN MONTHS ENDING APRIL 30, 2022

BALANCE SHEET

		YTD	Prior FYE
		4/30/2022	6/30/2021
ASSETS			
[1]	Current Assets	\$ 19,294,128	\$ 14,763,567
[2]	Assets Whose Use is Limited	8,925,981	15,999,821
[3]	Property, Plant & Equipment (Net)	74,440,893	77,860,175
[4]	Other Assets	619,778	1,320,339
[5]	Total Unrestricted Assets	103,280,779	109,943,902
[6]	Restricted Assets	0	0
[7]	Total Assets	\$ 103,280,779	\$ 109,943,902
LIABILITIES AND NET ASSETS			
[8]	Current Liabilities	\$27,501,456	\$22,077,546
[9]	Long-Term Debt	105,372,314	105,992,009
[10]	Other Long-Term Liabilities	2,231,628	0
[11]	Total Liabilities	\$ 135,105,397	\$ 128,069,555
[12]	Net Assets	\$ (31,824,618)	\$ (18,125,653)
[13]	Total Liabilities and Net Assets	\$ 103,280,779	\$ 109,943,902



KEY STATISTICS AND RATIOS					
	03/31/22 ACTUAL	04/30/22 ACTUAL	04/30/22 BUDGET	2022 YTD	2021 YR END TOTAL
	FY 22	FY 22	FY 22	FY 22	FY 21
[1] Total Acute Patient Days	641	608	1,121	8,429	11,008
[2] Average Daily Census	20.7	20.3	37.4	27.7	30.2
[3] Average Acute Length of Stay	3.5	3.3	4.1	4.0	4.1
[4] Patient Discharges	183	184	271	2,121	2,667
[5] Observation Days	223	208	226	2,306	2,512
[6] Total Emergency Room Visits	3,016	3,195	2,941	32,393	33,299
[7] Average ED Visits Per Day	97	107	98	107	91
[9] Total Surgeries	142	150	92	1,140	837
[10] Deliveries/Births	11	22	14	139	158

Statement of Revenue and Expense
SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
TEN MONTHS ENDING APRIL 30, 2022

	DISTRICT ONLY	CURRENT MONTH				
		ACTUAL	FY 21	FY 21	Positive	Percentage
		04/30/22	ACTUAL	CUR MO BUD	(Negative)	
		04/30/22	04/30/22	Variance	Variance	
Gross Patient Revenue						
[1] Inpatient Revenue	\$ -	\$ 12,985,480	\$ 21,606,353	\$ (8,620,872)	-66.4%	
[2] Inpatient Psych/Rehab Revenue	-	-	-	-	-	
[3] Outpatient Revenue	-	22,348,929	\$ 19,872,074	2,476,854	11.1%	
[4] Long Term Care Revenue	-	-	-	-	-	
[5] Home Health Revenue	-	-	-	-	-	
[6] Total Gross Patient Revenue	\$ -	\$ 35,334,409	\$ 41,478,427	\$ (6,144,018)	-17.4%	
Deductions From Revenue						
[7] Discounts and Allowances	-	(27,674,758)	\$ (35,512,557)	\$ 7,837,799	-28.3%	
[8] Bad Debt Expense	-	(1,432,016)	\$ (850,000)	(582,016)	40.6%	
[9] Prior Year Settlements	-	-	\$ -	-	-	
[10] Charity Care	-	(25,690)	\$ (58,333)	32,643	-127.1%	
[11] Total Deductions From Revenue	-	(29,132,464)	(36,420,891)	\$ 7,288,427	-25.0%	
[12]		-82.4%	-88%			
[13] Net Patient Revenue	\$ -	\$ 6,201,945	\$ 5,057,536	\$ 1,144,409	18.5%	
Non Patient Operating Revenues						
[14] IGT/DSH Revenues	-	-	\$ -	\$ -	0.0%	
[15] Grants & Other Op Revenues	-	404,979	\$ 300,191	104,788	25.9%	
[16] Clinic Net Revenues	-	-	\$ -	-	-	
[17] Tax Subsidies Measure D	233,333	233,333	\$ 239,583	(6,250)	-2.7%	
[18] Tax Subsidies Prop 13	150,000	150,000	\$ 166,667	(16,667)	-11.1%	
[19] Tax Subsidies County Supplemental Funds	-	-	\$ -	-	0.0%	
Non- Patient Revenue	\$ 383,333	\$ 788,312	\$ 706,441	\$ 81,871	10.4%	
Total Operating Revenue	\$ 383,333	\$ 6,990,257	\$ 5,763,977	\$ 1,226,279	17.5%	
Operating Expenses						
[20] Salaries and Wages	-	3,443,890	3,546,121	\$ 102,231	3.0%	
[21] Fringe Benefits	-	886,002	771,974	(114,028)	-12.9%	
[22] Contract Labor	-	244,817	68,630	(176,188)	-72.0%	
[23] Physicians Fees	-	497,575	340,810	(156,765)	-31.5%	
[24] Purchased Services	13,948	966,521	868,853	(97,668)	-10.1%	
[25] Supply Expense	-	1,455,590	829,096	(626,494)	-43.0%	
[26] Utilities	2,699	114,367	82,214	(32,153)	-28.1%	
[27] Repairs and Maintenance	15,296	183,195	55,920	(127,275)	-69.5%	
[28] Insurance Expense	-	115,996	115,494	(502)	-0.4%	
[29] All Other Operating Expenses	-	75,734	193,338	117,604	155.3%	
[30] Supplemental and Grant Expense	-	-	0	-	0.0%	
[31] Leases and Rentals	-	113,459	134,381	20,922	18.4%	
[32] Clinic Expense	-	-	0	-	0.0%	
[33] Total Operating Expenses	\$ 31,944	\$ 8,097,148	\$ 7,006,832	\$ (1,090,316)	-13.5%	
[34] EBIDA	\$ 351,389	\$ (1,106,891)	\$ (1,242,854)	\$ 135,963	-12.3%	
Interest Expense and Depreciation						
[35] Depreciation	504,865	504,865	535,486	\$ 30,621	6.1%	
[36] Interest Expense and Amortization	360,036	374,425	431,460	57,034	15.2%	
[37] Total Interest & depreciation	864,901	879,290	966,945	87,655	10.0%	
Non-Operating Revenue:						
[38] Contributions & Other	2,538	183,295	75,000	108,295	59.1%	
[39] Tax Subsidies for GO Bonds - M-A	613,966	613,966	666,667	(52,701)	-8.6%	
[40] Total Non Operating Revenue/(Expense)	616,503	797,260	741,667	\$ 55,594	7.0%	
[41] Total Net Surplus/(Loss)	\$ 102,992	\$ (1,188,921)	\$ (1,468,133)	\$ 279,212	-23.5%	
[42] Extra-ordinary loss on Financing	-	-	-	-	-	
[43] Increase/(Decrease in Unrestricted Net Assets	\$ 102,992	\$ (1,188,921)	\$ (1,468,133)	\$ 279,212	-23.5%	
[44] Total Profit Margin	26.87%	-17.01%	-25.47%			
[45] EBIDA %	91.67%	-15.83%	-21.56%			

Statement of Revenue and Expense
SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
TEN MONTHS ENDING APRIL 30, 2022

	YEAR-TO-DATE				
	DISTRICT ONLY			Positive (Negative) Variance	Percentage Variance
	Actual 04/30/22	Actual 04/30/22	Budget 04/30/22		
Gross Patient Revenue					
[1] Inpatient Revenue	\$ -	\$ 173,321,741	\$ 207,504,747	\$ (34,183,006)	-19.7%
[2] Inpatient Psych/Rehab Revenue	-	-	-	-	
[3] Outpatient Revenue	-	206,384,500	\$ 215,121,677	(8,737,177)	-4.2%
[4] Long Term Care Revenue	-	-	-	-	
[5] Home Health Revenue	-	-	-	-	
[6] Total Gross Patient Revenue	\$ -	\$ 379,706,241	\$ 422,626,424	\$ (42,920,183)	-11.3%
Deductions From Revenue					
[7] Discounts and Allowances	-	(312,406,348)	\$ (362,492,276)	\$ 50,085,929	16.0%
[8] Bad Debt Expense	-	(13,978,729)	\$ (8,500,000)	(5,478,729)	-39.2%
[9] Prior Year Settlements	-	-	\$ -	-	
[10] Charity Care	-	(696,869)	\$ (583,333)	(113,535)	-16.3%
[11] Total Deductions From Revenue	-	(327,081,945)	(371,575,610)	\$ 44,493,665	13.6%
[12]		-86.1%	-87.9%		
[13] Net Patient Revenue	\$ -	\$ 52,624,296	\$ 51,050,814	\$ 1,573,482	3.0%
Non Patient Operating Revenues					
[14] IGT/DSH Revenues	-	6,016,888	\$ 6,282,227	\$ (265,339)	-4.4%
[15] Grants & Other Op Revenues	-	4,822,491	\$ 3,001,910	1,820,581	37.8%
[16] Clinic Net Revenues	-	-	\$ -	-	
[17] Tax Subsidies Measure D	1,866,664	2,333,330	\$ 2,395,833	(62,503)	-2.7%
[18] Tax Subsidies Prop 13	1,200,000	1,500,000	\$ 1,666,667	(166,667)	-11.1%
[19] Tax Subsidies County Supplemental Funds	-	-	\$ -	-	0.0%
Non- Patient Revenue	\$ 3,066,664	\$ 14,672,709	\$ 13,346,637	\$ 1,326,072	9.0%
Total Operating Revenue	\$ 3,066,664	\$ 67,297,005	\$ 64,397,452	\$ 2,899,553	4.3%
Operating Expenses					
[20] Salaries and Wages	-	34,216,331	\$ 35,185,976	\$ 969,645	2.8%
[21] Fringe Benefits	-	8,421,538	\$ 7,926,101	(495,437)	-5.9%
[22] Contract Labor	-	1,124,449	\$ 673,204	(451,245)	-40.1%
[23] Physicians Fees	-	3,451,823	\$ 3,385,258	(66,565)	-1.9%
[24] Purchased Services	209,158	9,051,222	\$ 8,682,948	(368,275)	-4.1%
[25] Supply Expense	-	10,188,963	\$ 8,317,224	(1,871,739)	-18.4%
[26] Utilities	18,133	1,120,125	\$ 885,681	(234,444)	-20.9%
[27] Repairs and Maintenance	71,045	750,930	\$ 557,702	(193,228)	-25.7%
[28] Insurance Expense	-	1,278,489	\$ 1,154,942	(123,547)	-9.7%
[29] All Other Operating Expenses	-	853,891	\$ 1,929,409	1,075,518	126.0%
[30] Supplemental and Grant Expense	-	-	\$ 895,056	895,056	0.0%
[31] Leases and Rentals	-	743,397	\$ 1,293,813	550,417	74.0%
[32] Clinic Expense	-	-	\$ -	-	0.0%
[33] Total Operating Expenses	\$ 298,337	\$ 71,201,158	\$ 70,887,315	\$ (313,843)	-0.4%
[34] EBIDA	\$ 2,768,327	\$ (3,904,153)	\$ (6,489,863)	\$ 2,585,710	-66.2%
Interest Expense and Depreciation					
[35] Depreciation	4,038,920	5,048,650	\$ 4,987,409	\$ (61,241)	-1.2%
[36] Interest Expense and Amortization	2,920,632	4,087,449	\$ 4,293,937	206,489	5.1%
[37] Total Interest & depreciation	6,959,552	9,136,099	9,281,346	145,248	1.6%
Non-Operating Revenue:					
[38] Contributions & Other	59,911	423,917	\$ 750,000	(326,083)	-76.9%
[39] Tax Subsidies for GO Bonds - M-A	6,139,656	6,139,656	\$ 6,666,667	(527,010)	-8.6%
[40] Total Non Operating Revenue/(Expense)	6,199,567	6,563,573	7,416,667	(853,094)	-13.0%
[41] Total Net Surplus/(Loss)	\$ 2,008,343	\$ (6,476,678)	\$ (8,354,543)	\$ 1,877,864	-29.0%
[42] Extra-ordinary loss on Financing	-	-	-	-	
[43] Increase/(Decrease in Unrestricted Net Assets	\$ 2,008,343	\$ (6,476,678)	\$ (8,354,543)	\$ 1,877,864	-29.0%
[44] Total Profit Margin	65.49%	-9.62%	-12.97%		
[45] EBIDA %	90.27%	-5.80%	-10.08%		

Balance Sheet - Assets

**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
TEN MONTHS ENDING APRIL 30, 2022**

		ASSETS					
		DISTRICT ONLY					
		Current Month 4/30/2022	Current Month 4/30/2022	Prior Month 3/31/2022	Positive/ (Negative) Variance	Prior Year End 6/30/2021	
Current Assets							
[1]	Cash and Cash Equivalents	\$969,554	\$8,431,995	\$4,353,545	\$ 4,078,449	\$ 1,763,843	
[2]	Gross Patient Accounts Receivable	\$0	\$82,005,018	\$85,336,601	\$ (3,331,583)	58,800,003	
[3]	Less: Bad Debt and Allowance Reserves	\$0	(\$73,491,783)	(\$76,396,979)	\$ 2,905,196	(50,860,772)	
[4]	Net Patient Accounts Receivable	\$0	\$8,513,235	\$8,939,622	\$ (426,387)	7,939,231	
[5]	Taxes Receivable	\$2,688,710	\$2,688,710	\$2,435,184	\$ 253,525	99,170	
[6]	Other Receivables (includes advances)	\$660,465	(\$1,959,582)	(\$1,343,740)	\$ (615,842)	1,609,566	
[7]	Inventories	\$0	\$2,400,494	\$2,318,921	\$ 81,574	1,830,192	
[8]	Prepaid Expenses	\$426,169	\$1,064,753	\$1,097,318	\$ (32,566)	21,540	
[9]	Due From Third Party Payers-DSH	\$0	(\$1,845,477)	(\$1,845,477)	\$ -	598,026	
[10]	Malpractice Receivable	\$0	\$0	\$0	\$ -	-	
[11]	Supplimental Receivables	\$0	\$0	\$341,379	\$ (341,379)	902,000	
	Total Current Assets	4,744,897	19,294,128	16,296,753	\$ (736,481)	\$ 14,763,567	
Assets Whose Use is Limited							
[12]	Cash						
[13]	Investments						
[14]	Bond Reserve/Debt Retirement Fund	\$8,925,981	\$8,925,981	\$9,462,982	\$ (537,002)	15,999,821	
[15]	Trustee Held Funds						
[16]	Funded Depreciation						
[17]	Board Designated Funds						
[18]	Other Limited Use Assets						
	Total Limited Use Assets	8,925,981	8,925,981	9,462,982	\$ (223,324)	\$ 15,999,821	
Property, Plant, and Equipment							
[19]	Land and Land Improvements	\$4,828,182	\$4,828,182	\$4,828,091	\$ 91	\$ 4,828,182	
[20]	Building and Building Improvements	\$129,281,491	\$129,281,491	\$129,281,491	\$ -	129,257,409	
[21]	Equipment	\$26,853,549	\$26,853,549	\$26,853,549	\$ -	26,562,627	
[22]	Construction In Progress	\$1,613,608	\$1,613,608	\$390,017	\$ 1,223,592	299,244	
[23]	Capitalized Interest						
[24]	Gross Property, Plant, and Equipment	162,576,830	162,576,830	161,353,148	\$ 1,223,683	160,947,462	
[25]	Less: Accumulated Depreciation	(\$88,135,937)	(\$88,135,937)	(\$87,631,072)	\$ (504,865)	(83,087,287)	
[26]	Net Property, Plant, and Equipment	74,440,893	74,440,893	73,722,075	\$ (475,050)	\$ 77,860,175	
Other Assets							
[27]	Unamortized Loan Costs	\$627,385	\$619,618	\$622,207	\$ (2,589)	\$ 728,520	
[28]	Assets Held for Future Use		\$160	\$160	\$ -		
[29]	Investments in Subsidiary/Affiliated Org.	\$22,216,652	\$0	\$0	\$ (0)	591,819	
[30]	Other						
[31]	Total Other Assets	22,844,036	619,778	622,367	\$ (2,589)	\$ 1,320,339	
[32]	TOTAL UNRESTRICTED ASSETS	110,955,807	103,280,779	100,104,177	\$ 3,176,602	\$ 109,943,902	
Restricted Assets							
		0	0	0	0	0	
[33]	TOTAL ASSETS	\$110,955,807	\$103,280,779	\$100,104,177	\$ 3,176,602	\$ 109,943,902	

Balance Sheet - Liabilities and Net Assets

**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
TEN MONTHS ENDING APRIL 30, 2022**

	DISTRICT ONLY	LIABILITIES AND FUND BALANCE			
	Current Month 4/30/2022	Current Month 4/30/2022	Prior Month 3/31/2022	Positive/ (Negative) Variance	Prior Year End 6/30/2021
Current Liabilities					
[1] Accounts Payable	\$ 308,095	\$ 9,644,221	\$ 7,725,973	\$ (1,918,248)	\$ 9,285,913
[2] Notes and Loans Payable (Line of Credit)	-	6,000,000	6,000,000	\$ -	16,391
[3] Accounts Payable- Tax advance	-	-	-	\$ -	-
[4] Accrued Payroll Taxes	-	6,079,678	5,757,499	\$ (322,179)	5,565,216
[5] Accrued Benefits	-	-	-	\$ -	-
[6] Accrued Benefits Current Portion	-	-	-	\$ -	-
[7] Other Accrued Expenses	-	-	-	\$ -	-
[8] Accrued GO Bond Interest Payable	2,019,820	2,263,537	691,969	\$ (1,571,568)	2,484,778
[9] Stimulus Advance	-	387,388	375,675	\$ (11,713)	2,336,777
[10] Due to Third Party Payers (Settlements)	-	-	-	\$ -	-
[11] Advances From Third Party Payers	-	194,908	625,228	\$ 430,320	-
[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)	-	-	-	\$ -	-
[14] Other Current Liabilities	-	596,724	596,724	-	53,471
Total Current Liabilities	4,662,915	27,501,456	24,108,067	\$ 791,861	22,077,546
Long Term Debt					
[15] Bonds/Mortgages Payable (net of Cur Portion)	103,097,387	\$103,057,314	\$ 103,070,672	\$ 13,358	\$ 105,677,009
[16] Leases Payable (net of current portion)	\$2,315,000	\$2,315,000	\$2,315,000	\$ -	\$315,000
[17] Total Long Term Debt (Net of Current)	105,412,387	105,372,314	105,385,672	\$ 313,358	105,992,009
Other Long Term Liabilities					
[18] Deferred Revenue	-	-	-	\$ -	-
[19] Accrued Pension Expense (Net of Current)	-	-	-	\$ -	-
[20] Other-Bridge Loan	0	2,231,628	1,129,590	\$ (1,102,038)	-
[21] Total Other Long Term Liabilities	0	2,231,628	1,129,590	(1,102,038)	0
TOTAL LIABILITIES	\$ 110,075,302	\$ 135,105,397	\$ 130,623,329	\$ (4,482,068)	\$ 128,069,555
Net Assets:					
[22] Unrestricted Fund Balance	(1,127,838)	(25,347,940)	\$ (25,347,940)	\$ -	\$ (3,774,444)
[23] Temporarily Restricted Fund Balance	-	-	-	-	-
[24] Restricted Fund Balance	-	-	-	-	-
[25] Net Revenue/(Expenses)	2,008,343	(6,476,678)	(5,171,212)	1,305,466	(14,351,209)
[26] TOTAL NET ASSETS	880,505	(31,824,618)	(30,519,152)	\$ 1,305,466	\$ (18,125,653)
[27] TOTAL LIABILITIES AND NET ASSETS	\$ 110,955,807	\$ 103,280,779	\$ 100,104,177	\$ (3,176,602)	\$ 109,943,902
	\$ 0	\$ 0	(0)	(\$0) 0	\$ -

Statement of Cash Flows

SAN GORGONIO MEMORIAL HOSPITAL BANNING, CALIFORNIA TEN MONTHS ENDING APRIL 30, 2022

		CASH FLOW	
		Current	
		Month	
		3/31/2022	
HEALTHCARE SYSTEM CASH FLOW			
BEGINNING CASH BALANCES			
[1]	Cash: Beginning Balances- HOSPITAL	\$	3,383,991
[2]	Cash: Beginning Balances- DISTRICT		969,554
[3]	Cash: Beginning Balances TOTALS	\$	4,353,545
Receipts			
[4]	Pt Collections	\$	7,036,233
[5]	Tax Subsidies Measure D		668,853
[6]	Tax Subsidies Prop 13		165,897
[7]	Tax Subsidies County Supplemental Funds		-
[8]	IGT & other Supplemental (Net)		866,282
[9]	Draws/(Paydown) of LOC Balances		-
[10]	Other Misc Receipts/Transfers		169,224
	TOTAL RECEIPTS	\$	8,906,489
Disbursements			
[11]	Payroll/ Benefits	\$	4,304,913
[12]	Other Operating Costs		2,441,373
[13]	Capital Spending		0
[14]	Debt serv payments (Hosp onlyw/ LOC interest)		-
[15]	Other (increase) in AP /other bal sheet		(1,918,248)
[16]	TOTAL DISBURSEMENTS	\$	4,828,038
[17]	TOTAL CHANGE in CASH	\$	4,078,450
ENDING CASH BALANCES			
[18]	Ending Balances- HOSPITAL	\$	7,462,442
[19]	Ending Balances- DISTRICT		969,554
[20]	Ending Balances- TOTALS	\$	8,431,995
ADDITIONAL INFO			
[21]	LOC CURRENT BALANCES	\$	6,000,000