



Date: June 17, 2024  
From: Jason McCormick, CFO  
To: Board of Directors, Petersburg Medical Center  
Re: Submission of revised budget for fiscal year 2026

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As fiscal year 2026 comes to a close we respectfully submit to the board a budget amendment for fiscal year 2026.

The total budget for expenses previously approved was approximately \$ 30,100,000

Estimated total expenditures are \$31,100,000 creating a difference of approximately \$1,000,000

The additional expenses are, in large part, due to the following:

- Contract Labor \$443,000, due to Nursing and Therapy staff.
- Employee Benefits \$436,000,
- Utilities \$464,000 due to WERC building Offset by \$598,000 of USAC.
- Repairs & Maintenance \$116,000, due to the age of the building.
- Other Operating expenses \$116,000,

Total Net Operating revenues are expected to be \$1,509,000 above budget.

- The organization anticipates a favorable settlement on the cost report due to the opening of the WERC building.
- Long-term care volumes were higher than budget
- The reduction in Gross Days in AR has recovered \$360,000 in Bad debts.
- 340B revenue has been higher than expected.
- Grant and other revenues will be higher than expected.

All financial figures are subject to audit. We respectfully submit for your consideration the following motion:

“Motion, Increase the 2026 spending appropriation by \$1,300,000 to cover the additional costs as explained to be paid for by the additional revenues as explained.”

Respectfully,

Jason McCormick, CFO