

GONZALES HEALTHCARE SYSTEM

Vision: "To become THE choice for healthcare services by building loyalty because health & wellness are our priorities."

Mission: "To provide high quality comprehensive healthcare in our community to all we serve."

PROPOSED FY26 OPERATING AND CAPITAL BUDGET

FOR FISCAL YEAR ENDING

June 30, 2026

William Bailey, CFO

GONZALES
HEALTHCARE SYSTEMS
Feel the Difference

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GONZALES
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Executive Summary

For the Proposed FY26 Operating and Capital Budget

for period ending June 30, 2026

Highlights

For the Fiscal Year Ending June 30, 2026, the Administration of Gonzales Healthcare Systems ("the System") along with the valuable input and management of the department leadership of the System, propose the enclosed Operating and Capital Budget for the upcoming reporting period for the approval of the Board of Directors of the System.

In summary, with the detail explanations provided in this executive summary and in this package, the System is proposing a Budget that reflects a Net Income(Loss) of **$3,467,905**, compared to a forecast of FY25 that reflects a Net Income(Loss) of $4,522,505, based on actual reported results through February 28, 2025 and then annualized for twelve months plus/minus any outlier transactions occurring in March & April 2025. The FY25 budgeted Net Income(Loss) is $2,528,905, or $939,000 less than the budgeted FY26 total.

As explained in the following narrative, the results for FY26 compared to the FY25 forecast reflect several factors including:

a conservative growth of 1.52% in Net Operating Revenue,

a 3.58% increase in Operating Expenses,

a reduction in the amount of Tax Revenue,

a reduction in the amount of Investment Income due to the use of cash reserves for construction outlays,

and, an inflow of funds from the county Health Foundation as a contribution for the construction costs.

Throughout several of the proposed FY26 results, the assumption is that the current ongoing construction project would be completed in Spring 2026. The timing of the project completion affects surgical volume, supplies, depreciation, and the use of cash reserves primarily.

Incorporating all of the above assumptions and the details below in the narrative, results in a EBIDA compared to requested FY26 capital of $93,475.

GONZALES HEALTHCARE SYSTEMS
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Volumes

Statistics	FY26 BUD	% 26vs25
Hospital Volumes:		
Admissions (Med/Surg & ICU)	481	*1%*
Patient Days (Med/Surg & ICU)	1,312	*1%*
ALOS (Med/Surg & ICU)	2.8	*1%*
Observation Days	720	*1%*
Newborns	170	*1%*
Surgeries	916	*2%*
ER Visits	10,053	*1%*
Outpatient Visits	24,637	*1%*
Home Health Visits	3,225	*1%*
Home Health Admissions	308	*1%*
Radiology Procedures	16,561	*1%*
Respiratory Therapy Procedures	1,086	*1%*
Laboratory Procedures	135,693	*1%*
Cardiology Procedures (EKG)	2,736	*1%*
Physical Therapy (Gonzales & Shiner)	25,285	*1%*
Speech Therapy	650	*1%*
Occupational Therapy	2,359	*1%*
Clinic Volumes:		
Sievers Medical Clinic Gonzales Visits	36,921	*1%*
Sievers Medical Clinic Waelder Visits	2,468	*1%*
Sievers Medical Clinic Shiner Visits	2,964	*1%*
Surgical Clinic Visits	3,640	*2%*

With the exception of surgical procedure volume and clinic visits, a conservative estimate of 1% increase in volumes is the assumption on volume for the coming fiscal period. This FY26 assumption for several System service lines remain below the average results for FY23, FY24, and the forecasted FY25.

With the early 2026 project completion and based on current recruitment efforts related to surgical specialties, the increase in Surgical procedures and Surgical Clinic Visits is assumed to result in a 2% impact to volume compared to the forecast for FY25.

Income Statement

- **Total Patient Service Revenue**

Total Patient Service Revenue reflects a 2.42% growth compared to FY25 forecasted results. This is a function of the two main assumptions of the 1% volume growth noted above and the annual January 1 rate increase across the board of 3%.

- **Deductions from Revenue**

Overall, Deductions from Revenue increase as a larger percentage due to the fact that the annual rate increase does not directly result in overall Operating Revenue increases. With the reimbursement structure for a PPS hospital operation based on Medicare based payment structures, as opposed to a percent of charges methodology, an increase in rates results in increased contractual allowances.

The impact of these assumptions above results in an overall Net Patient Revenue to Gross Patient Revenue % decrease of 1.9% compared to the FY25 Budget to 59.7%, and a decrease of 0.5% compared to the forecasted FY25 results.

- **Wages & Salaries**

Wages & Salaries are budgeted to reflect an overall average annual increase of 3% on January 1, 2026, along with factoring in the growth of volume. Also budgeted for FY26, is a shift from the higher use of agency and temporary staffing to employed positions. There is no increase in the overall amount of employed positions.

- **Benefits**

Benefits expense reflects the associated increase in expense relative the salary increases, but also an assumption of the continued increases in employee health expense and other benefits.

- **Contract Services**

The primary driver for the increase in Contract Services is the impact of twelve months of the contract payments for the Inspire radiology agreement, whereby in FY25 the payments began on October 15. There is a reduction in overall use of contract labor in the clinical areas due to lower agency nursing use.

- **Contract Services – Nursing Homes**

The realization of the expense activity for the Nursing Homes reflects a 1% increase year over year. With the ownership changes for the Texan and Magnolia NHs as of March 1, 2025, there are some unknowns as to the lasting impact. A reasonable 1% increase is a conservative assumption.

- **Supplies**

There are several factors, constantly in flux, that affect the assumptions surrounding the System's supply costs. Based on several informational inputs, an overall growth in supply expense across the board of 5% is warranted. The System enjoys a substantial benefit through the Ovation Health partnership, and the associated HealthTrust purchasing contracts, which lock in many pricing structures against economy related increases.

Even with those protections, the growth in volume along with the addition of newer surgical disciplines is factored into the assumptions. As reflected in the Capital requests and discussed below in Non-Operating Income(Loss), the addition of robotic assisted surgical services will also require additional supplies in late FY26.

- **Utilities**

Utility expense is budgeted to increase 2%, even though there are several efforts underway in the Plant Operations department to address more efficiencies in electric usage for both the main building and Thrive.

- **Repairs & Maintenance**

There are significant expenses related to issues with an almost 50-year-old existing building and ensuring that the new additional surgical space is integrated properly with current building components. For FY25, there have been several repair projects expensed to prepare for the construction project.

The System is budgeting a modest 1.25% increase for repairs and maintenance with those items noted.

- **Insurance**

Insurance will continue to increase over the next few fiscal cycles, as the insured values have historically been kept lower and the new construction area being brought online will increase.

A reasonable adjustment in premiums of 20% is budgeted for FY26.

- **Other Expenses**

Other Expenses is budgeted overall to relatively flat compared to FY25 spending.

Reflecting the System's Board commitment to training and education, there is a 3% factor added to education related expenses specifically. All other expenses within this line item will require department managers to monitor their spending to maintain this level.

- **Depreciation**

With the opening of the approximately $22M-$25M construction project, the costs will be added to the System's depreciation schedules and be amortized over a short period(primarily 7 years) for equipment and 40 years for the building components. Based on an assumption of Spring 2026 opening, one fiscal quarter is included in the Depreciation budget.

- **Bad Debt**

Bad Debt is estimated to increase by 3.36% compared to FY25 forecast. As the PARO presumptive charity recognition will continue as it is currently, the impact to revenue for Indigent Care and Bad Debt account is assumed to maintain the same rates. The rate increase also factors into this growth. The Board's recent approval of an Early Out patient account program should have a positive effect on Bad Debt expense.

Non-Operating Income(Loss)

- **M&O Tax**

Compared to the expected FY25 results, a slight reduction of 2% in the tax revenues for FY26 is factored into the assumptions. With the adoption of the tax rate occurring later in the year, after the adoption of the FY26 Operating and Capital Budget, an assumption that reflects a lower tax rate allows for planning for a negative year over year result and overall budgeting based on lower revenue. The annual uncollectible adjustment also factors into this decrease.

- **Investment Income**

Investment Income reflects both a decreasing amount of invested funds and a continuing decrease in the effective yield based on external economic factors. Incremental decrease in principal is tied to the timing of construction pay applications and equipment purchases.

- **Misc Other Income**

The primary impact is due to the anticipation of the inflow of $2M from the county Health Foundation as a generous donation to offset construction related costs. In the monthly budget for FY26 this income will be recognized in June 2026.

EBIDA

As shown below, one important measure that an organization must consider is the ability of cash related budgeted expenditures provide resources to provide ongoing capital needs.

Considering all of the above discussion on assumptions incorporated into the FY26 Operating Budget and the enclosed requested capital needs, the proposed System budget reflects a slight positive variance.

	FY26
Net Income(Loss)	**$ 3,467,905**
+Depreciation Expense	2,740,884
+Interest Expense	3,578
+Construction Interest Expense	745,783
	3,490,246
-Investment Income	(1,248,425)
EBIDA FY26	**5,709,725**
Capital Requests FY26	5,616,250
Variance	**$ 93,475**

Capital

The department Directors, Managers, and their Senior Leadership support have submitted their requests for capital related purchases needed within the upcoming fiscal period to continue their operations at a level that meets the Board expectations and guarantees safe, consistent, and most importantly quality patient care.

As noted later in this presentation, the request is for a total of $5,616,250. Included in that total is the request for $2,500,000 for the purchase of a surgical robot, which will facilitate the recruitment of additional surgical providers who value the latest technological functions.

Also, included is the purchase of a new backup generator for Plant Operations. The current generator has reached a point where repair parts are extremely hard to locate when needed. Management will continue to explore grant funding opportunities to offset the outlay for this equipment.

Gonzales Healthcare Systems
Historical and Projected Volume Statistics
For Budget Period ending June 30, 2026

Statistics	FY25 Fcast	% YOY	FY25 Bud	% FcvBd	FY24	% YOY	FY23	FY26 BUD	% 26vs25	% 26vsAvg
Hospital Volumes:										
Admissions (Med/Surg & ICU)	476	-3.3%	503	-5.4%	492	-4.3%	514	481	1%	-3%
Patient Days (Med/Surg & ICU)	1,299	-0.9%	1,408	-7.8%	1,311	-3.6%	1,360	1,312	1%	-1%
ALOS (Med/Surg & ICU)	2.7	5.0%	2.8	-2.5%	2.6	0.0%	2.6	2.8	1%	4%
Observation Days	713	-15.3%	825	-13.6%	842	-4.0%	877	720	1%	-11%
Newborns	168	4.3%	154	9.1%	161	9.5%	147	170	1%	7%
Surgeries	898	-4.1%	945	-5.0%	936	-7.7%	1,014	916	2%	-4%
ER Visits	9,954	-2.9%	10,303	-3.4%	10,255	6.5%	9,629	10,053	1%	1%
Outpatient Visits	24,393	5.7%	23,885	2.1%	23,080	-0.4%	23,168	24,637	1%	5%
Home Health Visits	3,193	-4.4%	3,431	-6.9%	3,341	12.1%	2,981	3,225	1%	2%
Home Health Admissions	305	-9.9%	359	-15.3%	338	4.6%	323	308	1%	-4%
Radiology Procedures	16,397	1.7%	16,751	-2.1%	16,123	-8.6%	17,649	16,561	1%	-1%
Respiratory Therapy Procedures	1,075	-45.6%	2,247	-52.1%	1,975	15.4%	1,711	1,086	1%	-32%
Laboratory Procedures	134,350	1.2%	135,470	-0.8%	132,784	-0.9%	133,986	135,693	1%	1%
Cardiology Procedures (EKG)	2,709	-8.5%	2,906	-6.8%	2,960	15.9%	2,554	2,736	1%	0%
Physical Therapy (Gonzales & Shiner)	25,035	16.8%	22,218	12.7%	21,432	-12.1%	24,380	25,285	1%	7%
Speech Therapy	644	-6.9%	745	-13.5%	692	3.7%	667	650	1%	-3%
Occupational Therapy	2,336	7.5%	2,291	2.0%	2,172	-5.5%	2,298	2,359	1%	4%
Clinic Volumes:										
Sievers Medical Clinic Gonzales Visits	36,555	2.6%	36,885	-0.9%	35,620	-6.8%	38,221	36,921	1%	0%
Sievers Medical Clinic Waelder Visits	2,444	5.0%	2,411	1.4%	2,328	-2.6%	2,391	2,468	1%	3%
Sievers Medical Clinic Shiner Visits	2,934	-32.7%	4,339	-32.4%	4,359	3.0%	4,232	2,964	1%	-23%
Surgical Clinic Visits	3,582	4.3%	3,606	-0.7%	3,435	-2.6%	3,528	3,640	2%	4%
Employee Volumes:										
FTE's (Paid)	287.8	0.1%	287.7	0.0%	287.5	1.1%	284.3	291	1%	1%
Contract Labor FTE's	6.8	134.3%	-	0.0%	2.9	95.9%	1.5	6.9	1%	84%
Overtime % ($)	2.34%	-0.34%	2.00%	0.34%	2.68%	0.38%	2.30%	2.36%	1%	-3%

Gonzales Healthcare Systems
Income Statement - Forecasted Fiscal Year End
For the period ending, June 30, 2025

	Budget FYE2025	Forecast FYE 2025	Variance 25Fcast vs 26Bud	% Bud26 vs Act25		Proposed Budget FYE2026	Variance 26Bud vs 25Fcast	% Bud26 vs Act25
PATIENT SERVICE REVENUE								
Acute Inpatient	8,898,394	8,360,716	(537,678)	-6.04%		8,593,168	232,451	2.78%
Hospital Outpatient	45,588,650	46,156,839	568,189	1.25%		47,381,904	1,225,065	2.65%
Clinics-SMC WMC	9,313,126	8,298,929	(1,014,197)	-10.89%		8,514,422	215,493	2.60%
Nursing Homes	19,440,000	19,991,427	551,427	2.84%		20,231,324	239,897	1.20%
Other Patient Services	5,675,437	5,410,364	(265,073)	-4.67%		5,630,031	219,667	4.06%
TOTAL PATIENT SERVICE REVENUE	**88,915,606**	**88,218,275**	**(697,331)**	**-0.78%**		**90,350,848**	**2,132,573**	**2.42%**
Contractual Allowance	31,489,770	29,321,676	(2,168,094)	-6.89%		30,567,847	1,246,171	4.25%
Indigent Care	2,667,468	5,778,567	3,111,099	116.63%		5,865,246	86,679	1.50%
TOTAL DEDUCTIONS FROM REVENUE	**34,157,238**	**35,100,243**	**943,005**	**2.76%**		**36,433,093**	**1,332,850**	**3.80%**
NET PATIENT REVENUE	**54,758,368**	**53,118,032**	**(1,640,336)**	**-3.00%**		**53,917,755**	**799,723**	**1.51%**
Net Patient Revenue/Gross Patient Rev %	61.6%	60.2%				59.7%		
OTHER OPERATING REVENUE	**3,008,410**	**1,462,112**	**(1,546,298)**	**-51.40%**		**1,489,638**	**27,526**	**1.88%**
NET OPERATING REVENUE	**57,766,778**	**54,580,144**	**(3,186,634)**	**-5.52%**		**55,407,393**	**827,249**	**1.52%**
EXPENSES								
Wages & Salaries	17,550,840	16,723,688	(827,152)	-4.71%		17,253,911	530,223	3.17%
Benefits	4,161,960	3,759,577	(402,383)	-9.67%		3,919,359	159,782	4.25%
Contract Services	10,832,493	11,886,440	1,053,948	9.73%		12,426,746	540,306	4.55%
Contract Services - Nursing Homes	18,929,821	18,661,908	(267,913)	-1.42%		18,848,528	186,619	1.00%
Supplies	5,120,652	4,821,864	(298,788)	-5.83%		5,062,957	241,093	5.00%
Utilities	620,182	581,742	(38,439)	-6.20%		593,377	11,635	2.00%
Repair & Maintenance	2,151,809	1,796,312	(355,497)	-16.52%		1,818,766	22,454	1.25%
Rent (Building & Equipment)	530,454	378,730	(151,724)	-28.60%		378,730	-	0.00%
Rent - Nursing Homes	899,880	899,881	1	0.00%		899,881	-	0.00%
Insurance	294,708	302,238	7,530	2.56%		362,685	60,448	20.00%
Interest	5,280	5,198	(82)	-1.55%		3,578	(1,620)	-31.16%
Other Expenses	1,949,296	2,476,904	527,607	27.07%		2,491,109	14,205	0.57%
Depreciation	2,378,568	2,190,151	(188,417)	-7.92%		2,740,884	550,733	25.15%
Bad Debt	5,433,994	3,689,831	(1,744,163)	-32.10%		3,813,870	124,039	3.36%
TOTAL OPERATING EXPENSES	**70,859,937**	**68,174,466**	**(2,685,471)**	**-3.79%**		**70,614,383**	**2,439,917**	**3.58%**
OPERATING INCOME/(LOSS)	**(13,093,159)**	**(13,594,322)**	**(501,163)**	**3.83%**		**(15,206,990)**	**(1,612,668)**	**11.86%**
NON-OPERATING INCOME(LOSS)								
M & O Tax[3]	14,106,081	15,708,381	1,602,300	11.36%		15,393,894	(314,487)	-2.00%
Construction Bond Interest Expense	(798,186)	(784,811)	13,375	-1.68%		(745,783)	39,028	-4.97%
Interest Income	1,670,336	2,411,106	740,770	44.35%		1,248,425	(1,162,681)	-48.22%
Unrealized Gain/(Loss) Investments	-	(193,207)	(193,207)			0	193,208	
Total Investment Income	**1,670,336**	**2,217,899**	**547,563**	**32.78%**		**1,248,425**	**(969,473)**	**-43.71%**
Foundation	74,400	(262,773)	(337,173)	-453.19%		(62,773)	200,000	-76.11%
Private UPL	272,432	390,062	117,629	43.18%		290,062	(100,000)	-25.64%
Misc Other Income[4]	297,000	848,070	551,070	185.55%		2,551,070	1,703,000	200.81%
Total Other Income	**643,832**	**975,359**	**331,526**	**51.49%**		**2,778,359**	**1,803,000**	**184.86%**
TOTAL NON-OPERATING INCOME	**15,622,063**	**18,116,827**	**2,494,764**	**15.97%**		**18,674,895**	**558,067**	**3.08%**
NET INCOME/(LOSS)	**2,528,905**	**4,522,505**	**1,993,601**	**78.83%**		**3,467,905**	**(1,054,601)**	**-23.32%**
EBIDA	4,040,603	5,284,768	1,244,165	30.79%		5,709,725	424,957	8.04%

Gonzales Healthcare System
Capital Budget Summary
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

		FY 2026 7/1/25-6/30/26	FY 2027 7/1/26-6/30/27	FY 2028 7/1/27-6/30/28
1001	Med-Surg	15,000	24,000	-
1003	SCU	41,725	17,000	-
1004	Respiratory Therapy	-	28,000	-
1005	Maternal Child Health	87,941	455,329	113,000
1006	Surgery(*see below)	782,000	170,000	200,000
1007	PACU	15,000	8,000	-
1008	Emergency Room	65,000	28,000	5,000
1011	Laboratory	79,500	26,000	25,000
1014	Radiology	498,000	1,000,000	-
1018	Pharmacy	-	20,000	-
1020	Anesthesia	8,000	-	-
1082	Plant Operations	704,500	20,000	45,000
1086	Administration	170,000	370,000	1,020,000
1093	Information Technology	412,584	83,584	71,534
1105	Thrive Fitness	23,500	17,200	10,000
1107	Thrive Building	208,000	276,250	142,650
1112	Thrive Splash	5,500	10,000	101,510
1006	*Surgery (Robot)*	*2,500,000*	-	-
		$ 5,616,250	**$ 2,553,363**	**$ 1,733,694**

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1001
Dept Name	Med-Surg
Submitted by:	Elizabeth Janecek

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Full-Featured Medical Cart		$ 15,000	$ 7,000		Replace outdated and malfunctioning medical carts to support reliable bedside documentation, improve patient care efficiency, and enhance staff ergonomics and safety. Rubbermaid NSIGEL 2 Medical Solutions Cart: Outdated model, limited functionality compared to current technology standards. Ergotron 5839 Cart: Broken adjustability features impacting safe ergonomic use; battery unable to hold sufficient charge, resulting in frequent downtime and workflow disruptions. Future Replacement FY2026: Additional Ergotron cart nearing end-of-life with similar battery issues.
Stryker LifePak 15 w/ Nellcor	Replacement		$ 17,000		Replace an existing Medtronic LifePak 20 to ensure standardization of emergency cardiac equipment across all departments.

Total	**$ 15,000**	**$ 24,000**	**$ -**

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1003
Dept Name	SCU
Submitted by:	Elizabeth Janecek

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
SCU Negative Pressurized Rooms	New	$ 30,000			Budgeted FY2023 & FY2024. Moving to FY2025.
SCU Doors	New	$ 11,725			Budgeted FY2023 & FY2024. Moving to FY2025.
Stryker LifePak 15 w/ Nellcor	Replacement		$ 17,000		Replace an existing Medtronic LifePak 20 to ensure standardization of emergency cardiac equipment across all departments.
Total		**$ 41,725**	**$ 17,000**	**$ -**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1004
Dept Name	Resp
Submitted by:	Rsteffek

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Bellavista Ventilator	Replace V60 BIPAP		$ 28,000		Replacing V60 BIPAP that is at end of life. Bellavista Ventilator has Vent, BIPAP/CPAP, and High Flow oxygen capabilties.
Total		**$ -**	**$ 28,000**	**$ -**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1002, 1005
Dept Name	Maternal Child Health
Submitted by:	L. Burns RN

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Infant Warmer	1 New, 1 Replace	$ 14,528	$ 14,528		1 New- CS Suite- **grant funds** 1 Replace- SCN warmer outdated, scale not functional, no cardiac monitor, cannot replace parts
Infant Scale + SS60 120V/60 w/ Cart	New		$ 9,547		
Birthing Beds X3- Hillrom Affinity	Replace	$ 42,946			Current beds > 10 years old, frequent repairs needed
Wireless Monitoring System- Novii	Replace	$ 17,467			Parts obsolete, units out of service/not functioning
Triage/OB bed- Gynnie	Replace		$ 6,254		Current: outdated and needing frequent repair
C/S-OR surgical lights	Replace		$ 30,000		**grant funds-** Current: outdated, quality improvement needed, parts obsolete
C/S Suite Construction			$ 350,000		(2/3) **grant funds**
Head Walls	Replace		$ 45,000		Replace outdated head walls
Refresh & Refurbish		$ 13,000		$ 13,000	
Infant Security (dept # 1002)	New			$ 100,000	If requirred for designation purposes
Total		**$ 87,941**	**$ 455,329**	**$ 113,000**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1006
Dept Name	Surgery
Submitted by:	C. Jansky

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Hysteroscopy Pump/Fluid Management	Replacement	$ 12,000			The surgery department only has 1 hysteroscopy pump. We do not have a fluid management system. If an OBGYN is added to our staff this will likely be a needed purchase depending on the physician.
Spine Table- Mizuho OSI Trios	new	$ 125,000			Operating room table for Spine Surgery, new service, spine surgeon
Tubular retractor system	new	$ 30,000			MISS surgery retractors for spine surgery
Microscope	Replacement	$ 300,000			Lecia Microscope for Spine Surgery, spine surgeon
General Spine Tray	new	$ 14,000			new spine surgeon, general spine instruments
Lumbar Spine Tray	new	$ 12,000			new spine surgeon, lumbar spine instruments
Cervical Spine Tray	new	$ 12,000			new spine surgeon, cervical spine instruments
Stryker neuro Drill	new	$ 80,000			spine handpiece and attachments and replace core system to core 2
Small Drill Stryker and attachments	replacement		$ 60,000		Needed for ankle, foot, elbow, and other small ortho/trauma repairs. We currently have 1 small cordless drill. Prefer Stryker
Dermatome and mesher	New	$ 12,000			Zimmer Complete kit power cord ref#s 00882100000 and case 00880100300 ; used for skin grafts, Dr. Koerner
Large Drill and attachments	Replacement	$ 60,000			Used a lot, high risk of breaking, needed for Joints and major large bone surgeries
Minor drill and attachments	Replacement	$ 80,000			stryker, update/replace old core system (no longer supported/able to be repaired- must replace)
OR 1 surgical lights (steris)(REPLACEMENT)	Replacement		$ 110,000		High risk for breaking/not on contract for repair/ have had several repairs on it (see log); hallogen bulbs replaced often; new LED lights don't have to change and doesn't put off heat , quote is for both lights being replaced
HMMR	new	$ 45,000			Request by Dr. Box for automated hip impactor for total hips; Zimmer item
Total		**$ 782,000**	**$ 170,000**	**$ -**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1007
Dept Name	PACU
Submitted by:	C. Jansky

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Stretchers	Replacement	$ 15,000	$ 8,000		aging stretchers; not all new being bought with new surgical build (2 stretchers 25-26, then 1 26-27) ; stay consistent with hillrom procedural stretcher
Total		**$ 15,000**	**$ 8,000**	**$ -**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1008
Dept Name	Emergency Room
Submitted by:	Amber Pawlik

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Life pak 15 Defibrilator	New	$ 17,000	$ 17,000		Steven provided an invoice
Paint ER and repair drywall in room 4	New	$ 5,000			
Ultrasound, Mindray TEX	New	$ 35,000			Pending a quote from the rep.
Bladder scanner	New		$ 6,000		This was according to the last one Med Surg purchased in 2023, it is stored on Med Surg.
Bariatric bed with low entry ability	New	$ 8,000			Pending actual price- Steven is getting a price from his Stryker rep.
WOW carts	Replace and New		$ 5,000	$ 5,000	Remove the wall computers from 1&2 and place them on WOWs. Replace the ER Tech WOW and the extra WOW that RT uses. Purchase a new WOW for Trauma room 5. Would need 5 in total.
Total		**$ 65,000**	**$ 28,000**	**$ 5,000**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1011
Dept Name	Laboratory
Submitted by:	Scott Fojt

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Lab Refrigerator	Replace	$ 13,000	$ 13,000		Replace when units go out (18 years old)
Centrifuge	Replace	$ 5,000	$ 5,000	$ 5,000	Replace when they go out (13 years old)
10 Lab Chairs	Replace		$ 8,000		Hydralic Cylinders going out. Chairs are 21 years old
BioSafety Cabinet	Replace			$ 20,000	Current cabinet is 20 years old.
UPS replacement	Replace	$ 30,000			The current UPSs are 10 and 8 yrs old and the new Chemistry systems may have different requirements.
Lab draw chair and cabinet	Replace	$ 8,000			They are getting worn and shabby in patient care area.
CO2 incubator	Replace	$ 15,000			Replace when unit goes out. Parts are getting hard to find. Unit is 8 years old.
Urinalysis Analyzer	Replace	$ 8,500			Replace when unit goes out.
Total		**$ 79,500**	**$ 26,000**	**$ 25,000**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1014
Dept Name	Radiology
Submitted by:	Kasey DuPree

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Portable	Replacement		$ 275,000		We have been running into several issues with this piece of equipment
C-arm	Replacement		$ 250,000		for the hand and spine doctors
US ABI machine	New	$ 23,000			the one we have now is over 20 years old and can not be worked on
Mammo	New	$ 475,000			We are 4 months backed up and have been for 2 years now, Patients are transferring to other facilities and we may lose the grant program we have due to delay of care.
Mammo	Replacement		$ 475,000		It will be end of life December 2026, we will not be able to get parts or any kind of service on it.

Total	**$ 498,000**	**$ 1,000,000**	**$ -**

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1018
Dept Name	Pharmacy
Submitted by:	Adolph Novosad III

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Omnicell Server 2016	Replacement		$ 20,000		Windows Server 2016 goes End of Life in Jan 2027. Will need to replace for IT security.
Total		**$ -**	**$ 20,000**	**$ -**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1020
Dept Name	Anesthesia
Submitted by:	C. Jansky

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Rapid infusor with blood warmer	replacement/additional	$ 8,000			Additional for ORs/c-section room
Total		**$ 8,000**	**$ -**	**$ -**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1082
Dept Name	Plant Operations
Submitted by:	

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Backup generator		$ 412,000			Current backup generator is end of life and parts for any repairs and difficult or impossible to locate.
Plant Ops Vehicle		$ 25,000		$ 25,000	Vehicles are currently approx 10-15 years old and requiring consistent maintenance
Signage		$ 250,000	$ 20,000	$ 20,000	Upon completion of construction project, interior and exterior signage and patient directional signage will need to be updated and replaced.
Medical Air Dryer/Evaporator		$ 17,500			Current Dryer is not consistently staying in range resulting in alarms
Total		**$ 704,500**	**$ 20,000**	**$ 45,000**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1086
Dept Name	Administration
Submitted by:	B. Bailey

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Physician space renovations		$ 150,000			As recruitment of physicians is ongoing, renovations for office space will be needed
Existing OR renovations			$ 350,000	$ 1,000,000	As the OR Expansion project is completed, the current OR space will be renovated and repurposed depending on the Facilty Master Plan committee directions.
Equipment needs not identified within departments		$ 20,000	$ 20,000	$ 20,000	On emergency basis, equipment requests will develop throughout the year. CEO has discretionary authority to request as needed.
Total		**$ 170,000**	**$ 370,000**	**$ 1,020,000**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	
Dept Name	Information Technology
Submitted by:	Chad Smith

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Networking Equipment Refresh	Replacement	$ 5,600	$ 5,600	$ 5,600	Replace end of life networking equipment 10% hardware discount if all 3 networking projects done from HP
Workstation Replacement	Replacement	$ 204,000	$ 30,000	$ 60,000	Replacing 1/5th each year, Windows 10 is end of life Oct. 2025
Phone System Replacement	Replacement	$ 80,000			Move to a cloud based phone system/ current hardware end of life
Datto Backup Hardware Refresh	Replacement	$ 5,934	$ 5,934	$ 5,934	No hardware cost, monthly increases from 4914 to 5934, probably less once removing Paragon servers, we are working with worst case
Shiner Fiber	Replacement	$ 6,600	$ 6,600		Will replace Shiners ATT 4G backup internet
New ESXI Host	Replacement	$ 35,450	$ 35,450		Replace end of life VM hosts
Main UPS Support		$ 25,000			getting quote
Main UPS Batteries		$ 25,000			getting quote
3rd Party Risk Assessment	Support	$ 25,000			Required HIPAA Security Risk Assessment/Think we already paid this, need to verify
Total		**$ 412,584**	**$ 83,584**	**$ 71,534**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1105
Dept Name	Thrive Fitness
Submitted by:	Ryan Arellano

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Treadmill	Replacement	$ 6,000			aging over usage preparing for final depreciation and possible problems
Treadmil	Replacement	$ 6,000			aging over usage preparing for final depreciation and possible problems
Treadmill	Replacement	$ 6,000			aging over usage preparing for final depreciation and possible problems
Pec fly/ rear delt Machine	New	$ 5,500			wellness center. This machine would be good for our elder customers and customrs with back injurys.
Matrix Hack Squate	Replacement		$ 5,200		This would help customers coming back from knee injuries and Physical Theropy.
Treadmill	Replacement		$ 6,000		aging over usage preparing for final depreciation and possible problems
treadmill	Replacement		$ 6,000		aging over usage preparing for final depreciation and possible problems
Matirx Elliptical	Replacement			$ 5,000	aging over usage preparing for final depreciation and possible problems
Matrix Elliptical	Replacement			$ 5,000	aging over usage preparing for final depreciation and possible problems
Total		**$ 23,500**	**$ 17,200**	**$ 10,000**	

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1107
Dept Name	Thrive Building
Submitted by:	Ryan Arellano

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Create Chairs	Replacement	$ 8,000			Damaged and worn and stains
Walking path and Belong Floor	Replacement	$ 80,000			The flooring is coming up on the walking path causing an unsafe enviornment
Replace Therapy Carpet	Replacement	$ 20,000			flooring is frayed, splitting, bubbling
Create Carpet	Replacement		$ 11,250		Damaged and worn carpet
Replace Carpet in both locker rooms	Replacement		$ 15,000		The floor is Worn out and stained
Fitness Equipment carpet	Replacement			$ 33,450	
Replace carpet in both MOB waiting rooms	Replacement			$ 9,200	Almost 10 years old.
HVAC Equipment		$ 100,000	$ 250,000	$ 100,000	Swimming Pool area for FY26, then other building equipment is 10 years old

Total	**$ 208,000**	**$ 276,250**	**$ 142,650**

Gonzales Healthcare System
Requested Capital Budget
For the Fiscal Period of July 1, 2025 - June 30, 2026, and future periods of FY2027 & FY2028

Dept #	1112
Dept Name	Thrive Splash
Submitted by:	Ryan Arellano

*****Capital Asset - Purchase Price $5,000 or greater, and useful life of more than 12 months**

		When to be purchased			
Description of Item	**Replacement or New**	**7/1/25-6/30/26**	**7/1/26-6/30/27**	**7/1/27-6/30/28**	**Justification (identify item replacing if replacement) include ROI impact**
Storage Shed for Pool Chemicals	Replacement	$ 5,500			The Old shed has corroded due to exposure to pool chemicals
Replaster the Therapy and Splash Pool	Replacement			$ 101,510	Pool Plaster is thin and can not be power washed. Plaster is stained
Pool Pump motor	Replacement		$ 10,000		The pool pump is runing everyday. I jus want to prepare if it goes out.
Total		**$ 5,500**	**$ 10,000**	**$ 101,510**	